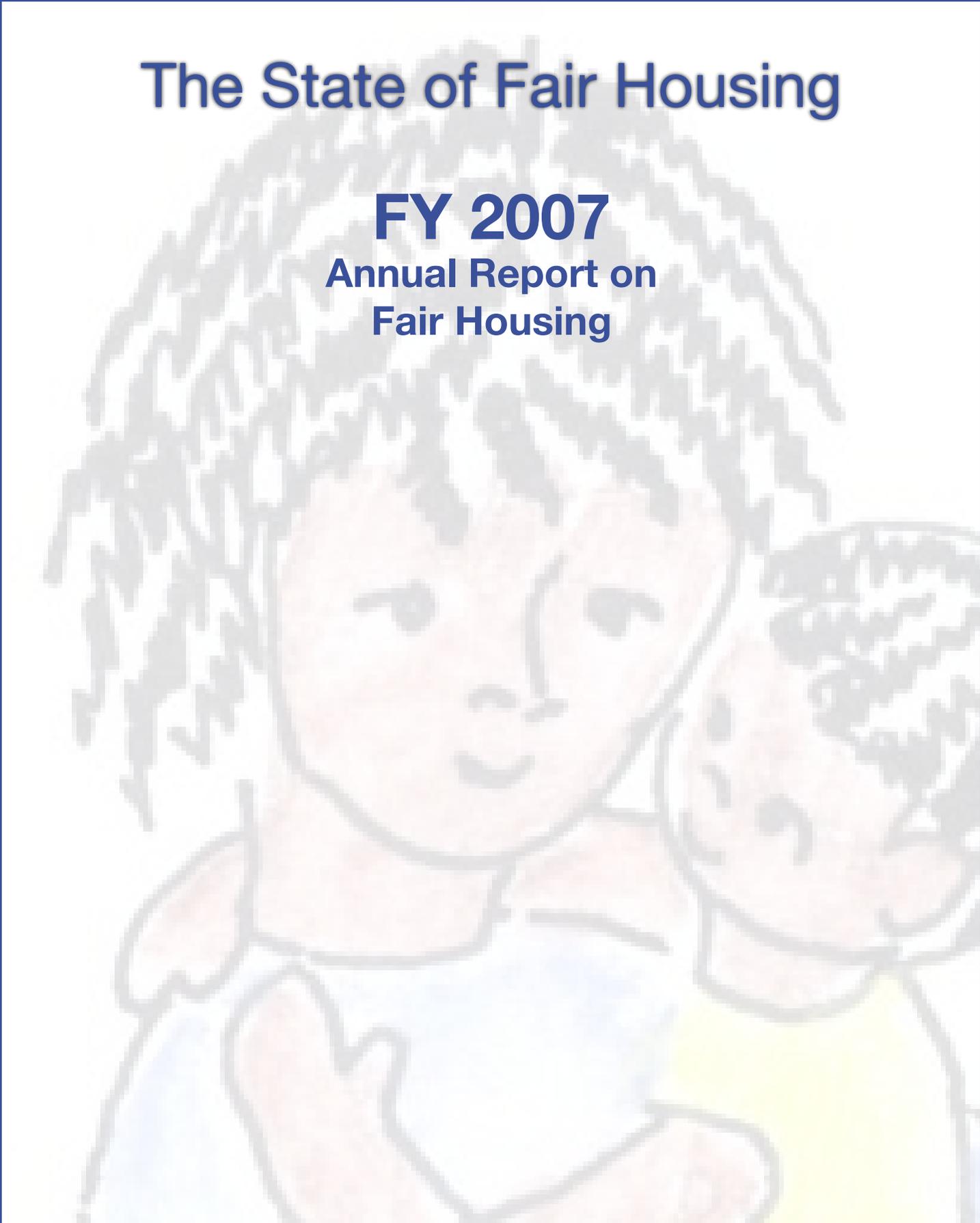


# The State of Fair Housing

## FY 2007 Annual Report on Fair Housing







U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-0001

THE SECRETARY

March 31, 2008

To the Congress of the United States:

Enclosed is the Department of Housing and Urban Development's Fiscal Year 2007 Annual Report on the State of Fair Housing in America. This report has been prepared in accordance with Sections 808(e)(2) and (6) of the Fair Housing Act and Section 561(j) of the Housing and Community Development Act of 1987.

The Department will continue to live up to the public's trust, operate its programs efficiently, and promote equal housing opportunity for all.

Sincerely,

A handwritten signature in black ink that reads "Alphonso Jackson". The signature is written in a cursive style with a long horizontal stroke at the end.

Alphonso Jackson

Enclosure



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## ABOUT THIS REPORT

This report was prepared in accordance with Sections 808(e)(2) and (6) of the Fair Housing Act and Section 561(j) of the Housing and Community Development Act of 1987. These statutory mandates require the Secretary of Housing and Urban Development to report annually to Congress on several aspects of HUD's work in fair housing. In particular:

- Section 808(e)(2) of the Fair Housing Act directs HUD to report on the “nature and extent of progress made nationally in eliminating discriminatory housing practices and furthering the purposes of [the Fair Housing Act], obstacles remaining to achieving equal housing opportunity, and recommendations for further legislative or executive action.” It also directs HUD to report on the number of instances in which steps in the complaint process—including investigating a complaint, making a determination of cause, commencing an administrative hearing, or issuing a decision—were not completed as prescribed by law.
- Section 808(e)(6) of the Fair Housing Act requires that HUD annually report data to Congress on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of programs administered by HUD, to the extent such characteristics are within the coverage of the provisions of the civil rights laws administered by HUD.
- Section 561(j) of the Housing and Community Development Act of 1987 requires HUD to report on the progress made in accomplishing the objectives of the Fair Housing Initiatives Program, including a summary of enforcement, education, and outreach activities funded under the program.

This report provides information on the foregoing activities for the period beginning October 1, 2006, and ending September 30, 2007.



## EXECUTIVE SUMMARY

The Fiscal Year (FY) 2007 Annual Report on Fair Housing describes activities that help individuals who have experienced unlawful discrimination and that educate housing professionals and the public on fair housing laws. This report includes information on the number and types of housing discrimination complaints filed with HUD and Fair Housing Assistance Program (FHAP) agencies, which are state and local government agencies that enforce fair housing laws that are substantially equivalent to the federal Fair Housing Act. In addition, it includes several case summaries that show the breadth of cases filed. The following are a few notable examples of HUD's efforts in FY 2007 to promote equal housing opportunity.

### Enforcement

- HUD and FHAP agencies received a combined total of 10,154 housing discrimination complaints. The most common basis of complaints was disability and the most common allegation was discrimination in the terms and conditions of the sale or rental of housing. Over the past 4 years, the number and types of complaints have held relatively constant. The minor trends of note have been a steady increase in disability complaints and a recent drop-off in complaints from Hispanics after experiencing a sizable jump between FY 2003 and FY 2004.
- HUD filed 12 Secretary-initiated complaints and conducted an additional 4 Secretary-initiated investigations. These included complaints against housing providers for prohibiting families with children and brokerage organizations for limiting their membership on the basis of religion.
- HUD enhanced its fair lending enforcement by creating a unit dedicated to planning and conducting lending investigations. This unit analyzes Home Mortgage Disclosure Act (HMDA) data and other information to identify lenders engaging in discrimination.
- HUD certified one new FHAP agency, bringing the total to 107 FHAP agencies in 38 states and the District of Columbia.

### Education and Outreach

- HUD conducted various media activities to increase public awareness of fair housing. These activities included placing fair housing advertisements in more than 50 movie theaters, on more than 900 screens, throughout the country. These advertisements informed viewers that it is unlawful to discriminate in the sale, rental, or financing of housing and that they can call HUD at 1-800-669-9777 if they believe they have experienced or witnessed unlawful discrimination. Additionally, HUD's fair housing cases received national media attention from outlets such as CNN and *Good Housekeeping*.
- Through its Fair Housing Initiatives Program (FHIP), HUD awarded 88 grants totaling \$18.1 million. These grants will be used to conduct fair housing enforcement and education activities in FY 2008. During FY 2007, FHIP grant recipients conducted 1,486 public events that provided 247,201 persons with fair housing information. These activities were mostly funded with grants awarded in FY 2006.
- Fair Housing Accessibility FIRST, a FHIP-funded training program, held 22 training sessions in 17 states. These sessions trained 1,351 individuals on the Fair Housing Act's design and construction requirements for multifamily housing.



## CHAPTER 1 THE STATE OF FAIR HOUSING

On April 11, 1968, one week after the assassination of Rev. Dr. Martin Luther King, Jr., President Lyndon B. Johnson signed the Fair Housing Act to prohibit discrimination in the sale, rental, and financing of housing, and in other housing-related transactions, on the basis of race, color, national origin, and religion. The Fair Housing Act was amended in 1974 to prohibit discrimination on the basis of sex and in 1988 to prohibit discrimination on the basis of disability and familial status.

The Fair Housing Act requires HUD to annually report to Congress on the progress made nationally in eliminating discriminatory housing practices and the remaining obstacles to achieving equal housing opportunity. To help fulfill this requirement and work more effectively in the future, HUD examines the housing discrimination complaints it receives annually, the findings of its fair housing studies, and the results of its initiatives aimed at promoting equal housing opportunity.

### **Nature and Extent of Discrimination**

HUD conducts studies to help understand the nature and extent of housing discrimination. In recent years, HUD has conducted studies of discrimination against racial and ethnic minorities and persons with disabilities when they look for housing to buy or rent. These studies provide a better understanding of the most commonly reported bases of housing discrimination. Additionally, HUD examines the bases and issues in housing discrimination complaints to get a better understanding of the nature and extent of discrimination.

### **Housing Discrimination Studies**

In previous annual reports, HUD described the findings of its recent studies of housing discrimination against racial and ethnic minorities and persons with disabilities, which use paired testing to measure different treatment experienced by similarly qualified applicants of different racial/ethnic backgrounds when they inquire about units advertised for sale or rent. The studies, conducted between 2000 and 2003, provide national estimates of consistent adverse treatment experienced by African Americans, Hispanics, and Asian and Pacific Islanders; a three-state estimate for Native Americans; and an estimate for persons with disabilities in the Chicago area. The studies also provide national estimates of change in discrimination between 1989 and 2000 for African Americans and Hispanics. Specifically, the studies found that consistent adverse treatment toward African Americans and Hispanics seeking to purchase a home declined substantially between 1989 and 2000. African Americans also were less likely to experience consistent adverse treatment in the rental market in 2000 compared to 1989, but there was no change for Hispanics.

In 2000/2001, these studies found that African Americans, Hispanics, and Asians and Pacific Islanders experience adverse treatment in approximately one in five encounters with sales agents. Additionally, African Americans and Asians and Pacific Islanders experience adverse treatment in approximately one in five encounters with rental agents, while Hispanics experience adverse treatment in about one in four encounters with rental agents. These studies also found that Native Americans experience adverse treatment in one in four encounters with rental agents.

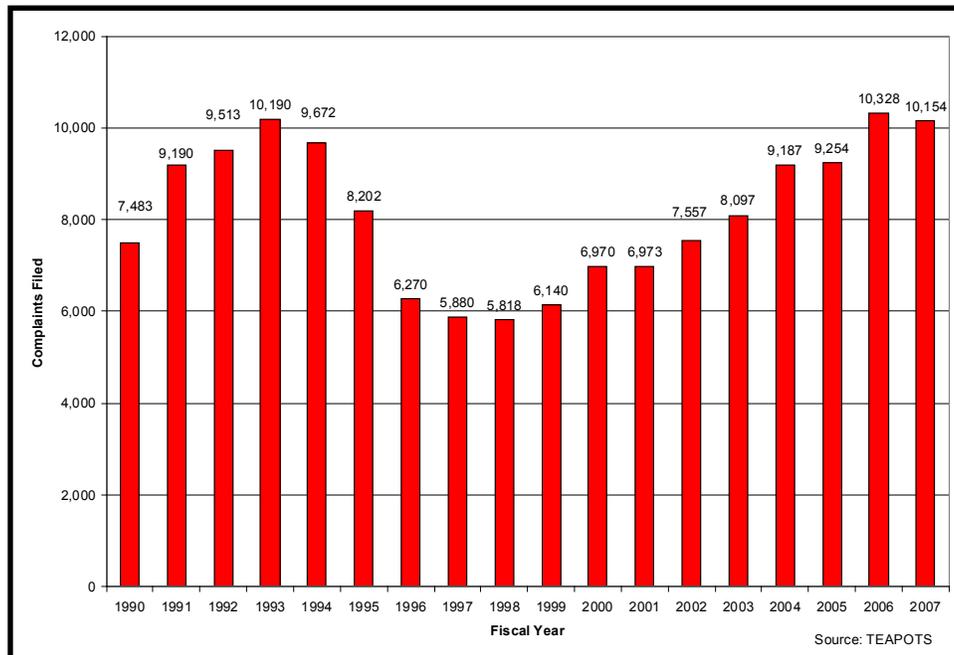
Finally, these studies assessed the experience of persons with disabilities in the rental market, and found that hearing-impaired persons experience adverse treatment nearly one-half of the time when they contact rental agents via a telephone-operator relay and that wheelchair users experience adverse treatment nearly one-third of the time when they inquire in person about rental properties.<sup>1</sup>

**Housing Discrimination Complaints**

HUD shares its authority to investigate housing discrimination complaints with state and local government agencies that it has certified through its Fair Housing Assistance Program (FHAP). FHAP agencies enforce state and local laws that provide rights, remedies, procedures, and opportunities for judicial review that are substantially equivalent to those provided in the federal Fair Housing Act. This section describes the housing discrimination complaints filed with HUD and FHAP agencies, including the bases and issues of those complaints. Although this section refers to provisions of the Fair Housing Act, similar provisions are contained in the state and local fair housing laws that are enforced by FHAP agencies.

Chart 1.1 shows the total number of housing discrimination complaints filed with HUD and FHAP agencies since the establishment of an administrative enforcement process under the Fair Housing Amendments Act of 1988.

**Chart 1.1 Complaints Filed with HUD and FHAP Agencies (FY 1990-FY 2007)**



<sup>1</sup> Discrimination in Metropolitan Housing Markets: Phase 1; Discrimination in Metropolitan Housing Markets: Phase 2-Asians and Pacific Islanders; Discrimination in Metropolitan Housing Markets: Phase 3-Native Americans; and Discrimination Against Persons with Disabilities: Barriers at Every Step. These studies are available at <http://www.huduser.org>.

Chart 1.1 shows that the number of housing discrimination complaints filed with HUD and FHAP agencies since the passage of the Fair Housing Amendments Act of 1988 has varied from a low of 5,818 in FY 1998 to a high of 10,328 in FY 2006. After reaching a record high in FY 2006, the number of housing discrimination complaints slightly decreased to 10,154 complaints in FY 2007. This was a decrease of 174 complaints, or about 2 percent.

It is not evident what has caused the overall increase in complaints since FY 1998. Recent HUD research, which is discussed later in this chapter, suggests that only a small fraction of individuals who believe they have experienced housing discrimination file a complaint with a government agency. Therefore, it is difficult to assess whether or not the increase in complaints is most often the result of more housing discrimination, more knowledge of fair housing laws, or more willingness to report unlawful discrimination.

**Table 1.1 Bases of HUD and FHAP Complaints (FY 2004-FY 2007)**

Basis	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Disability	3,483	38%	3,766	41%	4,110	40%	4,410	43%
Race	3,512	38%	3,472	38%	4,043	39%	3,750	37%
Familial Status	1,357	15%	1,414	15%	1,433	14%	1,441	14%
National Origin	1,268	14%	1,225	13%	1,427	14%	1,299	13%
<i>National Origin—Hispanic or Latino</i>	916	10%	860	9%	931	9%	784	8%
Sex	997	11%	961	10%	997	10%	1,008	10%
Religion	360	4%	218	2%	258	2%	266	3%
Color	170	2%	142	2%	154	1%	173	2%
Retaliation	441	5%	452	5%	577	6%	588	6%
Number of Complaints Filed	9,187	/	9,254	/	10,328	/	10,154	/
Percentages do not total 100 percent because complaints may contain multiple bases. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

The Fair Housing Act defines seven prohibited bases for discrimination—race, color, religion, national origin, sex, disability, and familial status. The Fair Housing Act also prohibits acts of retaliation against persons for filing or assisting with a housing discrimination complaint. Table 1.1 shows the number of complaints filed with HUD and FHAP agencies that alleged a violation on each basis. If a single complaint alleged multiple bases, it was counted under each basis alleged.

Table 1.1 shows that the percentage of complaints for each basis, except for disability, has been reasonably constant over the past 4 years. The share of disability complaints has increased by five percentage points from FY 2004 to FY 2007, reflecting increases of approximately 300 complaints in each of the past 3 years.

In FY 2007, the 2 percent decrease in the number of housing discrimination complaints filed was the result of one percent drops in complaints on two bases—race and national origin. The remaining bases experienced increases in the numbers of complaints.

For the third consecutive year, disability was the most common basis of housing discrimination complaints filed with HUD and FHAP agencies, cited in 43 percent of complaints. This is due, at least in part, to the additional protections afforded persons with disabilities under the Fair Housing Act, i.e., reasonable accommodation, reasonable modification, and accessible design and construction. These provisions of the Fair Housing Act are discussed in the following section on issues in HUD and FHAP complaints.

Despite experiencing a slight drop in complaints, race continued to be the second most common basis of complaints filed with HUD and FHAP agencies. In FY 2007, racial discrimination was alleged in 37 percent of complaints.

In FY 2007, familial status continued to be the third most common basis of housing discrimination complaints filed with HUD and FHAP agencies, cited in 14 percent of complaints. Familial status discrimination covers acts of discrimination against a parent or another person having legal custody of a child under the age of 18, the designee of such parent or guardian, and persons who are pregnant or in the process of obtaining legal custody of a child under the age of 18. The number of familial status complaints was followed closely by national origin complaints. National origin discrimination was alleged in 13 percent of complaints in FY 2007.

Sex discrimination continued to be the fifth most common basis of housing discrimination complaints filed with HUD and FHAP agencies, alleged in 10 percent of complaints in FY 2007.

As in previous years, retaliation, religion, and color were the least common bases of housing discrimination complaints filed with HUD and FHAP agencies. In FY 2007, retaliation, religion, and color were each cited in 6, 3, and 2 percent of complaints, respectively.

**Table 1.2 Issues in HUD and FHAP Complaints (FY 2004-FY 2007)**

Issue	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Refusal to Sell § 804(a) and § 804(f)(1)	326	4%	371	4%	288	3%	234	2%
Refusal to Rent § 804(a) and § 804(f)(1)	2,206	24%	2,276	25%	2,634	26%	2,649	26%
Steering § 804(a) and § 804(f)(1)	104	1%	86	1%	86	1%	76	1%
Discriminatory Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sale of Property § 804(b) and	5,206	57%	5,240	57%	6,005	58%	5,922	58%
Discriminatory Notices, Statements, or Advertisements § 804(c)	544	6%	640	7%	541	5%	593	6%
False Denial or Representation of Availability § 804(d)	216	2%	249	3%	236	2%	251	2%
Failure to Permit a Reasonable Modification § 804(f)(3)(A)	151	2%	160	2%	124	1%	169	2%
Failure to Make a Reasonable Accommodation § 804(f)(3)(B)	1,471	16%	1,665	18%	1,896	18%	2,094	21%
Noncompliance with Design and Construction Requirements § 804(f)(3)(C)	296	3%	333	4%	228	2%	195	2%
Discriminatory Financing § 805(a)	546	6%	523	6%	552	5%	411	4%
Mortgage Redlining § 805 or Insurance Redlining § 804(a) and/or § 804(b)	18	<0.5%	14	<0.5%	4	<0.5%	12	<0.5%
Refusal to Provide Insurance § 804(a) and/or § 804(b)	11	<0.5%	4	<0.5%	3	<0.5%	3	<0.5%
Coercion or Intimidation, Threats, Interference, and Retaliation § 818	1,091	12%	1,192	13%	1,354	13%	1,477	15%
Number of Complaints Filed	9,187	/	9,254	/	10,328	/	10,154	/
Percentages do not total 100 percent because complaints may contain multiple bases. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

A complaint must allege a discriminatory action that is prohibited by the Fair Housing Act. These discriminatory actions, known as “issues,” are listed in Table 1.2 along with the number of complaints filed with HUD and FHAP agencies that alleged each issue during each of the past 4 fiscal years. If a complaint alleged multiple issues, it was counted under each issue alleged. After each issue, the table provides the section of the Fair Housing Act that prohibits the activity.

Table 1.2 shows that the decrease in housing discrimination complaints filed with HUD and FHAP agencies was reflected in five issue categories in FY 2007. The number of complaints that alleged discriminatory financing experienced the largest decrease, followed by discriminatory terms and conditions, discriminatory refusal to sell, noncompliance with design and construction requirements, and steering. However, the number of complaints in these categories has risen and fallen over recent years and none of these categories experienced consecutive decreases in complaints for the past 4 years.

At the same time, there were seven issue categories that experienced an increase in complaints and one issue category that received the same number of complaints. In FY 2007, the number of complaints alleging failure to make a reasonable accommodation experienced the largest increase, followed by complaints alleging retaliation. These were two of the three issue categories that increased each year for the past 4 years. The only other issue category that increased over the past four years was discriminatory refusal to rent. During this period, reasonable accommodation and retaliation were the fastest-growing issue categories, increasing by 42 percent and 35 percent, respectively.

Despite changes in the number of complaints filed with HUD and FHAP agencies, the percentage of complaints for each issue, except failure to make a reasonable accommodation, has been somewhat stable during the past 4 years. The share of complaints alleging failure to make a reasonable accommodation has increased by five percentage points from FY 2004 to FY 2007, reflecting increases of approximately 200 complaints in each of the past 3 years.

In FY 2007, the most common allegation in housing discrimination complaints filed with HUD and FHAP agencies continued to be discriminatory terms, conditions, privileges, services, and facilities in the sale or rental of property. This broad category includes actions that unlawfully subject individuals to different treatment, such as when a landlord requires African-American applicants to undergo credit checks, but does not require the same of white applicants. In FY 2007, 58 percent of complaints alleged discriminatory terms and conditions.

As in previous years, the second most common issue in housing discrimination complaints filed with HUD and FHAP agencies was discriminatory refusal to rent. In FY 2007, discriminatory refusal to rent was alleged in 26 percent of complaints, while discriminatory refusal to sell was alleged in 2 percent of complaints.

In FY 2007, the third most common allegation in housing discrimination complaints filed with HUD and FHAP agencies continued to be failure to make a reasonable accommodation. During this period, 21 percent of complaints alleged a failure to make a reasonable accommodation.

The requirement to make a reasonable accommodation is one of three provisions in the Fair Housing Act that are specific to the needs of persons with disabilities. The Fair Housing Act requires a housing provider to make a reasonable accommodation in its rules, policies, practices, or services, if it is necessary to afford an equal opportunity to a person with a disability to use and enjoy a dwelling. For example, if an apartment complex with on-site parking is not in the practice of assigning spaces, but a person with a mobility impairment requests that the complex reserve a parking space for him or her near his or her unit, the housing provider generally must reserve the space near the unit.<sup>2</sup>

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<sup>2</sup> It should be noted that a housing provider can deny a request for an accommodation if it is not made by or on behalf of a person with a disability, if there is no disability-related need for the accommodation, or if the accommodation is not reasonable because it would impose an undue financial and administrative burden on the housing provider or result in a fundamental alteration to its operations. When a housing provider refuses to grant a requested accommodation because it is not reasonable, the provider should discuss with the requester whether there is an acceptable alternative accommodation that would effectively address his or her disability-related needs.

Secondly, persons with disabilities must be permitted, at their own expense, to modify their housing and related facilities in reasonable ways so they can use and enjoy their housing. Reasonable modification requests may include lobbies, main entrances, and other public and common use areas of buildings, as well as the interior of units. For example, if a person with mobility impairment needs to install grab bars in order to be able to use his or her toilet or shower, the housing provider generally must allow the resident to make that modification. The housing provider would potentially violate the Fair Housing Act if he or she refused.<sup>3</sup> In FY 2007, 2 percent of complaints alleged failure to permit a reasonable modification.

Thirdly, the Fair Housing Act requires that particular multifamily dwellings constructed for first occupancy after March 13, 1991, contain particular design and construction features identified in the Fair Housing Act that make the property accessible to persons with disabilities. The accessibility requirements apply to all units in multifamily buildings with an elevator and the ground floor units in multifamily buildings without elevators. All of the common spaces, such as lobbies and exercise rooms, must be accessible regardless of building type. In FY 2007, complaints alleging noncompliance with the design and construction requirements made up 2 percent of complaints.

The Fair Housing Act makes it unlawful to falsely tell a prospective buyer or renter that a dwelling is not available or to steer persons to certain neighborhoods, loans, or insurance products because of their race or other protected characteristic. For example, a real estate agent who automatically limits the home search of an African-American couple to neighborhoods with large minority populations would be engaging in unlawful steering. In FY 2007, 2 percent of complaints alleged false denial or representation of availability of housing, while one percent of complaints alleged steering.

Activities prohibited by the Fair Housing Act include discriminatory financing and insurance coverage. In FY 2007, complaints alleging discrimination in the provision of financing to purchase, construct, improve, repair, or maintain a dwelling made up 4 percent of complaints, while complaints alleging discriminatory refusal to provide insurance made up less than 0.5 percent of complaints. The Fair Housing Act also prohibits lenders and insurers from refusing to do business in certain neighborhoods because of their racial composition or other prohibited basis. This practice, known as redlining, was alleged in less than 0.5 percent of complaints in FY 2007.

Under the Fair Housing Act it is unlawful to make, print, or publish, or cause to be made, printed or published, any notice, statement, or advertisement indicating a discriminatory limitation or discriminatory preference related to the sale or rental of housing. In FY 2007, 6 percent of complaints alleged discriminatory statements or advertisements.

The Fair Housing Act also prohibits actions intended to coerce, intimidate, threaten, interfere, or retaliate against a person for exercising his or her fair housing rights or aiding another person in doing so. For example, an employee of a real estate firm that is fired for reporting the discriminatory practices of that firm may file a complaint under the Fair Housing Act or substantially equivalent state or local fair housing law. In FY 2007, complaints alleging interference or retaliation made up 15 percent of complaints.

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<sup>3</sup> It should be noted that a housing provider can deny a request for a modification if it is not made by or on behalf of a person with a disability or if there is no disability-related need for the modification. In addition, the landlord may obtain reasonable assurances that the work will be done in a workmanlike manner and, in rental situations, the landlord may grant permission for a modification on the condition that the renter restore the interior of the dwelling to its prior condition.

## **Obstacles to Equal Housing Opportunity**

In previous annual reports, HUD identified several obstacles to equal housing opportunity based on the findings of its studies. Specifically, HUD identified the underreporting of housing discrimination as a significant obstacle to eliminating discriminatory housing practices, and found that several factors contribute to the underreporting of discrimination.

A major reason why housing discrimination is underreported is that it is often not readily identifiable by consumers. For example, HUD studies of housing discrimination against racial and ethnic minorities have found very few instances of blatant discrimination. Instead, the adverse treatment reported in the studies was uncovered by comparing the experiences of paired testers, one white and one minority. Additionally, HUD studies on public awareness of fair housing laws and response to perceived discrimination found other factors that contribute to the underreporting of discrimination. In particular, these studies found that persons who believed that they had experienced discrimination did not report it because they felt it was not worth the effort or they did not know what their rights were or to whom to complain.

The following sections describe what HUD is doing to enforce the Fair Housing Act when no one has come forward to file a complaint and to increase the reporting of housing discrimination.

## **HUD's Response to Discrimination and Obstacles to Equal Housing Opportunity**

The persistent and subtle nature of discrimination means that HUD must employ a variety of techniques to promote equal housing opportunity. Most notably, in FY 2005, HUD expanded its capacity to use its Secretary-initiated enforcement authority, particularly to conduct investigations of systemic discrimination. HUD created an office that plans and conducts investigations of discriminatory policies or practices that have a pervasive or institutional nature or affect a large number of people. In FY 2007, HUD continued to expand its capacity to enforce the Fair Housing Act. Because of recent changes in the mortgage market and an increase in predatory lending, particularly in minority communities, HUD established a Fair Lending Unit that is dedicated to planning and conducting lending investigations. Finally, HUD has engaged in education and outreach activities in order to increase public awareness of fair housing laws and how to report discrimination, as well as to promote compliance with fair housing laws in the housing, lending, and insurance industries.

### **Secretary-Initiated Enforcement**

In response to the underreporting of discrimination, HUD has increased the use of its Secretary-initiated enforcement powers to eliminate discriminatory housing practices. Under the Fair Housing Amendments Act of 1988, the Secretary of HUD, in the public interest, has the authority to conduct an investigation and file a complaint when there is reason to believe that an alleged discriminatory housing practice has occurred or is about to occur, even when no aggrieved person has filed a complaint.

Secretary-initiated enforcement authority allows HUD to take more proactive measures to eliminate housing discrimination and ensure equal housing opportunity. It allows HUD to deal with larger and more systemic forms of housing discrimination and provide relief for a greater number of individuals. In FY 2007, HUD filed 12 Secretary-initiated complaints and launched four additional Secretary-initiated investigations. These included Secretary-initiated complaints against a management company alleging that it refused to rent to African Americans, complaints against brokerage organizations alleging that they limited their membership on the basis of religion, and complaints against housing providers alleging that they prohibited families with children. For more information on Secretary-initiated enforcement of the Fair Housing Act, see Chapter 3.

### **Fair Lending Enforcement**

In FY 2007, HUD expanded its capacity to conduct fair lending enforcement. In response to the recent rise in foreclosures of subprime loans, particularly in minority communities, HUD established a unit dedicated to planning and conducting lending investigations.

The Fair Lending Unit will provide in-house expertise to handle the growing number of systemic investigations of lending discrimination. Additionally, the Fair Lending Unit will periodically review Fannie Mae and Freddie Mac for compliance with the Fair Housing Act and the fair housing provisions and housing goals of the Federal Housing Enterprises Financial Safety and Soundness Act (FHEFSSA).

This unit is made up of an economist and lending specialists that analyze Home Mortgage Disclosure Act (HMDA) data, lending discrimination complaints filed with government agencies, and other information, to select lenders for fair lending investigations. HUD began its first Secretary-initiated investigation based on HMDA data in FY 2006 and began two additional Secretary-initiated investigations into lenders in FY 2007. For more information on fair lending enforcement, see Chapter 3.

### **Education and Outreach Initiatives**

In an effort to increase public awareness of fair housing laws and the recourse available under those laws, HUD conducted fair housing education and outreach activities and sponsored additional activities through its Fair Housing Initiatives Program (FHIP). HUD also conducted activities to publicize the relief obtained for victims of discrimination, after one of its studies concluded that individuals would be more likely to report discrimination if they believed it would lead to a good outcome. HUD expects that these initiatives will increase reporting of housing discrimination and prevent housing providers from engaging in discrimination. The following are a few of the education and outreach activities that HUD conducted in FY 2007. For more information on HUD education and outreach activities, see Chapter 6.

### **Fair Housing Media Activities**

In August 2003, HUD in conjunction with the Advertising Council, launched a series of fair housing public service announcements in English and Spanish, consisting of two television, two radio, and two print advertisements. Two years later, in FY 2005, the campaign produced three new advertisements in English, two of which were also produced in Spanish. That same year, the campaign produced new advertisements in Chinese, Hmong, Korean, and Vietnamese. In FY 2006, a new media campaign was developed to inform Hurricane Katrina and Rita survivors about their fair housing rights and how to file housing discrimination complaints.

In FY 2007, HUD continued to seek new ways to raise public awareness of fair housing and how to report housing discrimination. This was the first year that HUD placed fair housing advertisements in movie theaters throughout the country. From April 6-13, 2007, HUD-sponsored fair housing advertisements appeared in more than 50 movie theaters on more than 900 screens throughout the country. The advertisements informed viewers that it is unlawful to discriminate in the sale, rental, or financing of housing. In addition, the advertisements encouraged viewers to call HUD at 1-800-669-9777 if they believe they have experienced or witnessed unlawful discrimination.

In FY 2007, HUD also used several national media outlets to publicize the relief obtained for victims of discrimination. For example, in February 2007, Assistant Secretary Kim Kendrick appeared on the CNN program *Open House* to talk about fair housing laws and the assistance that HUD provides to victims of

discrimination. The segment also featured an interview with Nannatte Bishop, an African-American woman who filed a complaint with HUD alleging that Fifth Third Bank denied her application for a mortgage loan because of her race. Although Fifth Third Bank denied any wrongdoing, it agreed to pay Bishop \$125,000 to settle the case. Additionally, the April 2007 edition of *Good Housekeeping* magazine published an article that featured two families who were allegedly denied housing because of their race or national origin. One of the cases was investigated by HUD and the other was investigated by a FHAP agency. Both cases resulted in monetary settlements for the complainants.

### **Education and Outreach to Housing Industry and Civil Rights Groups**

HUD officials also made numerous presentations and distributed educational materials at national conferences and meetings of housing, lending, insurance, and civil rights professionals. By participating in industry events, HUD educates professionals about their fair housing rights and responsibilities and provided them with information they can share with their colleagues and clients. In addition, HUD entered into agreements with housing industry groups pledging to work together to conduct fair housing education and outreach.

In FY 2007, HUD signed a memorandum of understanding (MOU) with the Texas Apartment Association (TAA), creating a partnership to promote fair housing in the rental housing market in Texas. As part of the MOU, TAA will conduct a series of leadership workshops on creating rental housing opportunities for minorities and persons with disabilities and provide fair housing information to its 10,000 members through various media outlets, including its website and newsletter. Among other activities, HUD agreed to participate in TAA conferences and encourage its FHAP agencies and FHIP recipients in Texas to distribute fair housing information at housing fairs.

## CHAPTER 2 OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

The mission of HUD's Office of Fair Housing and Equal Opportunity (FHEO) is to promote equal housing opportunities for all people in America. To help reach that goal, the office enforces federal laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, age, disability, or familial status. FHEO oversees the compliance of HUD's housing and community development programs, services, and activities with respect to fair housing and other civil rights laws. In addition to enforcing the nation's fair housing laws, FHEO educates the housing, lending, and insurance industries, and the public about fair housing rights and responsibilities through grant programs authorized by Congress, media campaigns, and other special initiatives.

### Laws and Executive Orders

HUD's Office of Fair Housing and Equal Opportunity enforces the following laws and Executive Orders:

- Title VI of the Civil Rights Act of 1964 (Title VI), as amended, which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- Title VIII of the Civil Rights Act of 1968, as amended, widely known as the Fair Housing Act, which prohibits discrimination on the basis of race, color, national origin, religion, sex, familial status, or disability in the sale, rental, and financing of dwellings and in other housing-related transactions.
- Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended, which prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance and in HUD programs and activities.
- Section 109 of the Housing and Community Development Act of 1974 (Section 109), as amended, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance under Title I of the Act, including the Community Development Block Grant Program, Urban Development Action Grants,<sup>4</sup> Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee Program. While Section 109 does not include discrimination based on age or disability on the list of prohibited bases, the statute applies to these programs the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973. On December 30, 2005, Section 109 was amended by the Support our Scouts Act. The Support our Scouts Act prohibits states or units of general local government that receive assistance under Title I of the Housing and Community Development Act and have designated open forums, limited public forums, or nonpublic forums, from discriminating against or denying equal access to any youth organization, including the Boy Scouts of America, that wishes to conduct a meeting or otherwise participate in any of the aforementioned forums.
- The Architectural Barriers Act of 1968, which requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and usable by persons with disabilities.

<sup>4</sup> Urban Development Action Grants have not been funded since FY 1988.

- The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- Section 3 of the Housing and Urban Development Act of 1968 (Section 3), as amended, which requires that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.
- Title II of the Americans with Disabilities Act of 1990 (ADA), which prohibits discrimination on the basis of disability in programs, services, and activities provided or made available by public entities. The U.S. Department of Justice has primary enforcement responsibility for Title II of the ADA. HUD enforces Title II of the ADA when it relates to state and local public housing, housing assistance, and housing referrals.
- Title IX of the Education Amendments Act of 1972 (Title IX), which prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance. The U.S. Department of Education has primary enforcement responsibility for Title IX. HUD enforces Title IX in HUD-funded educational and training programs and activities.
- Executive Order 11063, which prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- Executive Order 12898, which requires that each federal agency conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons on the basis of race, color, or national origin.
- Executive Order 13166, which directs Federal agencies to improve access to federally conducted and federally assisted programs and activities for persons who, as a result of national origin, are limited English proficient.

## **Activities**

The following are FHEO's principal activities.

### **Enforcement**

- Investigate and attempt to conciliate housing discrimination complaints filed under the Fair Housing Act. If conciliation fails, FHEO makes a proposed determination of whether there is reasonable cause to believe that a discriminatory housing practice has occurred or is about to occur. When FHEO determines that there is reasonable cause, it refers the complaint to HUD's Office of General Counsel for concurrence in the proposed determination and the issuance of a charge of discrimination.
- Initiate, coordinate, and conduct investigations and file complaints on behalf of the Secretary, as authorized under Section 810 of the Fair Housing Act. In general, FHEO uses this authority when it has not received a formal housing discrimination complaint, but has reason to believe that a person or entity has committed or is about to commit a discriminatory act.

- Investigate complaints of discrimination against recipients of HUD funds and conduct compliance reviews under Title VI, Section 504, Section 109, Age Discrimination Act, Title II of the ADA, or Title IX and make findings of compliance or noncompliance with the law. FHEO attempts to resolve any noncompliance by negotiating a voluntary compliance agreement. If unable to obtain voluntary compliance, FHEO refers the matter to HUD's Office of General Counsel.
- Investigate and attempt to obtain voluntary and just resolutions of complaints that, on their face, or as amplified by the statements of the complainant, present a valid allegation of noncompliance with Section 3. Where attempts fail to resolve such complaints informally, the Assistant Secretary for Fair Housing and Equal Opportunity will impose a resolution on the recipient and complainant. Any resolution imposed by the Assistant Secretary will be in accordance with requirements and procedures concerning the imposition of sanctions or resolutions as set forth in the regulations governing the HUD program under which the Section 3-covered assistance was provided.

### **Education and Outreach**

- Oversee the development and implementation of television, radio, and print advertisements and public service announcements that educate the public on fair housing laws.
- Conduct fair housing presentations and workshops at conferences and meetings of the housing and lending industries, fair housing and civil rights organizations, and other groups.
- Publish and distribute brochures, pamphlets, and other printed materials that provide information on unlawful housing discrimination and how to report suspected discrimination. FHEO prints those materials in English, Spanish, and several other languages, and distributes them at the conferences and meetings of various groups and at community events throughout the country. In addition, FHEO publishes and distributes printed materials to low- and very low-income residents and business owners on the economic opportunities provided under Section 3.

### **Programs**

- Administer and manage the Fair Housing Assistance Program (FHAP), which provides reimbursement to state and local government agencies that investigate housing discrimination complaints filed under laws that HUD has certified as substantially equivalent to the federal Fair Housing Act.
- Administer and manage the Fair Housing Initiatives Program (FHIP), which awards grants to private and nonprofit groups and state and local government agencies to carry out fair housing enforcement, education, and outreach activities.

### **Policy and Guidance**

- Establish fair housing and civil rights regulations and policies for HUD programs.
- Publish guidance on complying with the requirements of fair housing and various civil rights laws, regulations, and program requirements.

### **Oversight and Monitoring**

- Monitor and review HUD programs and activities for compliance with federal nondiscrimination requirements and the requirement to affirmatively further fair housing.
- Monitor recipients under FHAP and FHIP to ensure that they embrace high standards of ethics, management, and accountability in support of the President's Management Agenda.
- Monitor and review recipients of HUD funding for compliance with the requirement to promote economic opportunity for low- and very low-income persons pursuant to Section 3.
- Monitor Fannie Mae and Freddie Mac for compliance with the Fair Housing Act and the fair housing provisions and housing goals of the Federal Housing Enterprises Financial Safety and Soundness Act.
- Review HUD's proposed rules, handbooks, reports, and notices of funding availability to ensure that they comply with fair housing and civil rights-related program requirements.

### **Technical Assistance**

- Provide technical assistance to recipients of HUD funding, including state and local government agencies, public housing authorities, and multifamily housing developers and owners to help them meet their obligations under fair housing laws and economic opportunity requirements.
- Provide technical assistance to private industry to promote voluntary compliance with fair housing laws, including the accessibility requirements of the Fair Housing Act.

### **Inter-Agency Coordination**

- Work with other federal agencies on issues with fair housing and civil rights implications, such as lending discrimination, predatory lending, limited English proficiency, emergency preparedness, and environmental justice.

## Staffing and Budget

**Table 2.1 HUD's Fair Housing Staff, FY 2004-FY 2007**

Location	FY 2004	FY 2005	FY 2006	FY 2007
Regional and Field Offices	560	499	477	461
Headquarters	150	125	121	118
<b>TOTAL</b>	<b>710</b>	<b>624</b>	<b>598</b>	<b>579</b>

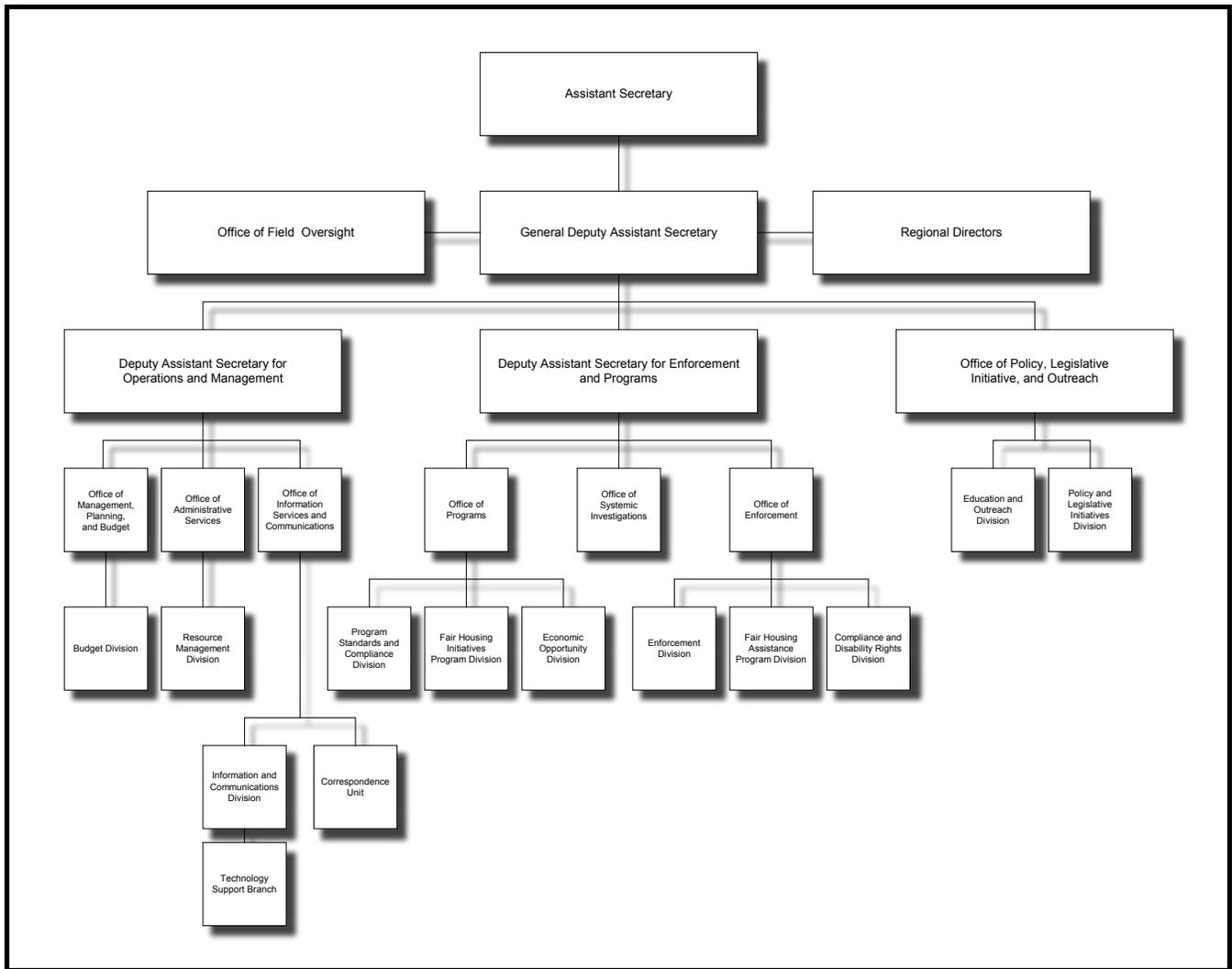
Table 2.1 shows that in FY 2007, FHEO had a total of 579 full-time equivalents (FTE). This was a slight decrease from FY 2006. Four-fifths of HUD's fair housing staff is located in regional and field offices throughout the country, while the remaining staff is located at HUD Headquarters in Washington, DC.

**Table 2.2 Funding Level for Fair Housing, FY 2004-FY 2007**

Budget	FY 2004	FY 2005	FY 2006	FY 2007
Salaries and Expenses	\$ 69,111,666	\$ 63,261,122	\$64,991,951	\$64,011,034
FHAP	\$ 27,586,275	\$ 26,288,000	\$25,740,000	\$25,740,000
FHIP	\$ 20,130,525	\$ 19,840,000	\$19,800,000	\$19,800,000
<b>TOTAL</b>	<b>\$116,828,466</b>	<b>\$109,389,122</b>	<b>\$110,531,951</b>	<b>\$109,551,034</b>

Table 2.2 shows that in FY 2007, the HUD fair housing budget totaled over \$109 million, which included more than \$25 million for FHAP and more than \$19 million for FHIP. In FY 2007, FHAP and FHIP were funded at the FY 2006 level because FHEO operated under a continuing resolution for the entire fiscal year.

**Chart 2.1 Organizational Chart, HUD Office of Fair Housing and Equal Opportunity**



**Training in FY 2007**

FHEO strives to recruit, develop, and retain a workforce recognized for professional leadership, management, and technical competency. For its employees, FHEO provided training in FY 2007 in fair housing enforcement and monitoring, Freedom of Information Act (FOIA) processes, contract administration, customer service, and leadership. The following section provides detail on training provided in FY 2007.

## **Fair Housing Enforcement and Monitoring**

### **Fair Housing Act Case Conciliation Training**

On July 26, 2007, FHEO trained approximately 400 employees in Headquarters, and regional and field offices on conciliating Fair Housing Act cases. The 2-hour training covered principles and techniques for conciliating cases, including documenting conciliation efforts, using investigation information during conciliation, determining damages and public interest relief, and handling multi-jurisdictional cases. The training was delivered via webcast.

### **Civil Rights-Related Program Requirements Training**

On August 28, 2007, FHEO and the Office of General Counsel trained employees in Headquarters, and regional and field offices on Title VI, Section 504, Section 109, and the accessibility provisions of the Fair Housing Act. Additionally, this training session included a presentation by HUD's Office of Public and Indian Housing on Public Housing Asset Management. The training was delivered via webcast.

On August 29, 2007, FHEO trained employees in Headquarters, and regional and field offices on working with HUD program offices to monitor public housing and multifamily housing recipients for compliance with fair housing and civil rights laws, regulations, and program requirements, including Executive Order 13166. The training was delivered via webcast.

### **Section 504 Compliance Review Training**

From August 28-31, 2007, FHEO trained 30 employees from Headquarters, and regional and field offices on conducting compliance reviews of HUD-assisted housing developments under Section 504 and its implementing regulations. The participants were trained on understanding the Uniform Federal Accessibility Standards, surveying the accessibility of housing developments, and writing reports of their findings. As part of the 4-day training, participants surveyed public housing developments and reported on their results.

## **Freedom of Information Act**

### **Freedom of Information Act Training**

On February 28, 2007, FHEO, the Office of General Counsel, and the Office of the Executive Secretariat trained Headquarters staff on processing Freedom of Information Act (FOIA) requests. The course focused on FOIA laws and regulations and covered topics such as FOIA deadlines, exemptions, and costs.

## **Contract Administration**

### **Contracting Officer's Technical Representative Training**

In August and September 2007, FHEO conducted four training sessions on becoming a certified Contracting Officer's Technical Representative (COTR). The four sessions instructed employees from Headquarters, and regional and field offices on COTR duties, as defined by the Federal Acquisition Institute.

Additionally, the course provided information on using the Federal Acquisition Regulations. In order to be a certified COTR, a participant must complete the 40-hour training session and pass an examination.

## **Customer Service**

### **Federal Relay System Training and TTY Training**

From April 3-5, 2007, FHEO provided several one-hour training sessions for its Headquarters employees on using the Federal Relay System. Additionally, on April 12 and April 18, 2007, FHEO provided one-hour training sessions for its Headquarters administrative assistants on using TTY equipment. These sessions were conducted to ensure that FHEO employees know how to take telephone calls from persons who are deaf, hard-of-hearing, and/or have speech disabilities.

### **Handling Difficult Customers Training**

On April 26, May 23, and June 18, 2007, FHEO provided 2-hour training sessions for its employees in Headquarters on handling difficult customers. The purpose of the training was to instruct employees on techniques for handling angry or irrational customers and customers that call frequently. On July 26, 2007, the training was provided to regional and field offices via webcast.

## **Leadership**

### **Leadership Training**

In FY 2007, FHEO launched a Leadership Development Program (LDP) for Headquarters, regional, and field staff. The LDP is a year-long training program that prepares FHEO staff members, GS-12 or higher, for supervisory positions. In FY 2007, 11 employees participated in the program.

As part of the program, the participants completed a one-week training course, "Making the Transition to Supervisor." The training covered eight of the Office of Personnel Management's core leadership and pre-supervisor competencies: interpersonal skills, flexibility, problem solving, customer service, team building, accountability, decisiveness, and influencing/negotiating. The participants also completed several web-based training courses and received training through monthly conference calls.

In addition, LDP participants spent 3 days shadowing an FHEO manager. This provided participants the opportunity to observe the day-to-day activities of managers and discuss management strategies. Each participant was also paired with an experienced FHEO manager who served as a mentor for the duration of the program.

Finally, LDP participants completed several assignments, including a learning project. As part of their learning projects, participants developed plans to improve operational processes or procedures in their assigned offices and presented their plans to a panel of senior FHEO managers.

## CHAPTER 3 HUD ENFORCEMENT OF THE FAIR HOUSING ACT

### HUD's Investigation of Complaints Under the Fair Housing Act

The Fair Housing Act prohibits discrimination based on race, color, religion, national origin, sex, disability, or familial status in most housing-related transactions. It covers public, assisted, and most private housing, with a few exceptions. The Fair Housing Act and its implementing regulations give HUD authority to investigate, attempt to conciliate, and, if necessary, adjudicate complaints of discrimination involving home sales, rentals, advertising, mortgage lending, property insurance, and environmental justice. HUD also investigates complaints alleging discriminatory zoning and land use, but must refer these complaints to DOJ for enforcement.

Anyone who believes he or she has experienced housing discrimination or that a discriminatory housing practice is about to occur may file a complaint with HUD in person, by telephone, through the mail, or via the Internet. HUD then determines if the complaint meets minimal jurisdictional standards. For example, HUD screens out complaints where the allegations are not covered by the federal Fair Housing Act, e.g., discrimination based on marital status. If the complaint is jurisdictional, the person who filed the complaint, whom HUD refers to as the complainant, signs the complaint, and HUD sends a copy of the complaint to the respondent.

At no cost to the complainant, HUD fully investigates the complaint to determine if there is reasonable cause to believe that a discriminatory housing practice has occurred or is about to occur. HUD interviews the parties and witnesses, obtains relevant documents, and, when appropriate, conducts on-site investigations. HUD has the authority to issue subpoenas and, when necessary, seek temporary restraining orders.

From the time of the filing of a complaint, HUD works with all parties to resolve the case through conciliation, as required by the Fair Housing Act. HUD will attempt conciliation until a complaint is dismissed or a charge of discrimination is issued. During conciliation, HUD represents the public interest in the case. In addition to the parties, HUD must approve and sign any conciliation agreement. An agreement may include a monetary payment and public interest relief, such as a requirement for the respondent or his or her staff to receive fair housing training, or an agreement for the respondent to provide the reasonable accommodation requested by the complainant.

Throughout the conciliation process, HUD continues to investigate the complaint. If HUD finds no reasonable cause to believe that a discriminatory housing practice has occurred or is about to occur, the complaint is dismissed. In that case, the complainant retains the right to pursue the matter through private litigation.

If HUD finds reasonable cause to believe that a discriminatory housing practice has occurred or is about to occur, it issues a charge of discrimination. The parties then may choose to pursue the matter before a HUD administrative law judge (ALJ) or in a U.S. district court.

If the case goes before an ALJ, HUD represents the government, bringing the case on behalf of the aggrieved person. Once before an ALJ, the parties can resolve the case through an Initial Decision and Consent Order signed by the ALJ or proceed to an administrative hearing. Once a charge is filed, the Fair Housing Act permits any aggrieved person to intervene as a party in the proceeding in order to represent his or her own interests. Housing discrimination charges heard before an ALJ carry a maximum civil penalty of \$16,000 for a

first offense. Civil penalties are higher if the respondent has committed prior violations of the Fair Housing Act. In addition, the ALJ may award actual damages for the aggrieved person, injunctive or other equitable relief, and attorney fees and costs for the prevailing party other than HUD.

If either party elects to go to federal district court, the U.S. Department of Justice represents the government while bringing the case on behalf of the aggrieved person. If discrimination is proved, a district court may award actual damages for the aggrieved person, injunctive or other equitable relief, and attorney fees and costs for the prevailing party other than DOJ. District courts may also award punitive damages.

**Complaints Filed with HUD for Investigation**

Chart 3.1 shows the number of complaints filed with HUD and the total number of complaints filed with HUD and state and local government agencies that HUD has certified under the Fair Housing Assistance Program (FHAP) as enforcing state and local fair housing laws that are substantially equivalent to the federal Fair Housing Act. The chart covers the past 4 fiscal years.

**Chart 3.1 Complaints Filed with HUD for Investigation (FY 2004-FY 2007)**

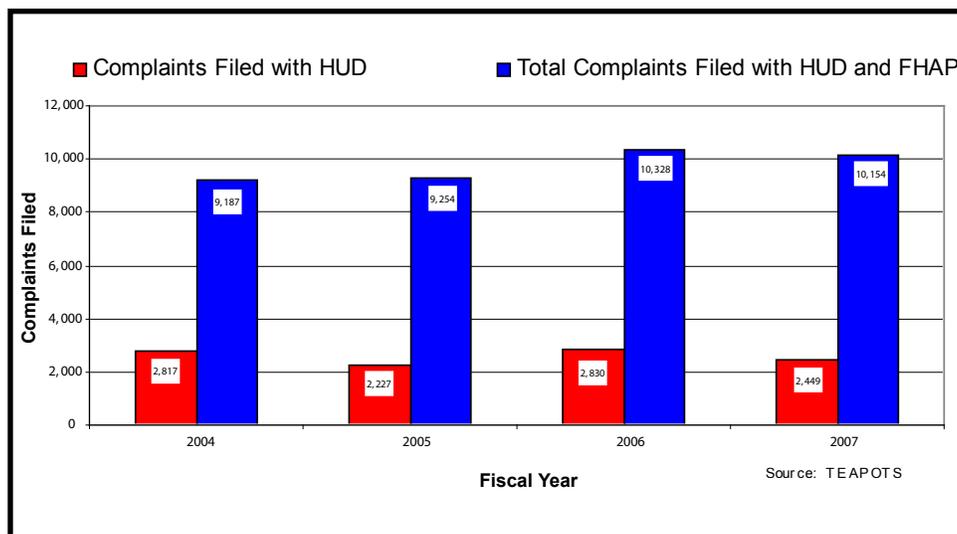


Chart 3.1 shows that a total of 2,449 housing discrimination complaints were filed with HUD in FY 2007. This was a 13 percent decrease from FY 2006. In FY 2007, about 24 percent of complaints were filed with HUD, making it the third consecutive year that HUD received roughly one-fourth of housing discrimination complaints.

**Bases in Complaints Filed**

All complaints filed must allege a basis for the discrimination. The Fair Housing Act lists seven prohibited bases for discrimination: race, color, religion, national origin, sex, disability, and familial status. In addition, the Fair Housing Act creates a cause of action for people who are retaliated against for having filed or assisted with a housing discrimination complaint. Table 3.1 shows the number of complaints filed with HUD that alleged a violation on each basis. If a single complaint alleged multiple bases, it was counted under each basis alleged.

**Table 3.1 Bases in HUD Complaints (FY 2004-FY 2007)**

Basis	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Disability	1,112	39%	1,095	49%	1,259	45%	1,196	49%
Race	1,130	40%	911	41%	1,231	44%	942	38%
Familial Status	380	13%	263	12%	311	11%	298	12%
National Origin	275	10%	203	9%	275	10%	284	12%
<i>National Origin—Hispanic or Latino</i>	199	7%	158	7%	182	6%	181	7%
Sex	319	11%	217	10%	295	10%	203	8%
Religion	191	7%	36	2%	79	3%	54	2%
Color	46	2%	18	1%	36	1%	21	1%
Retaliation	121	4%	95	4%	128	5%	115	5%
Number of Complaints Filed	2,817	/	2,227	/	2,830	/	2,449	/
Percentages do not total 100 percent because complaints may contain multiple bases. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

In FY 2007, disability and race continued to be the most common bases of housing discrimination complaints filed with HUD, cited in 49 percent and 38 percent of complaints, respectively. This was the third consecutive year that disability was the most common basis of complaints filed with HUD.

Familial status continued to be the third most common basis of housing discrimination complaints filed with HUD, virtually tied with national origin complaints. In FY 2007, 12 percent of HUD complaints contained an allegation of familial status discrimination. Familial status discrimination covers acts of discrimination against a parent or another person having legal custody of a child under the age of 18, the designee of such parent or guardian, and persons who are pregnant or in the process of obtaining legal custody of a child under the age of 18. Between FY 2006 and FY 2007, national origin was the only basis of alleged discrimination that experienced an increase in the number of complaints filed with HUD. As a result, national origin was the fourth most common basis of complaints, cited in 12 percent of HUD complaints in FY 2007.

At the same time, there was a substantial drop in the number of sex discrimination complaints filed with HUD, making it the fifth most common basis of alleged discrimination. Sex discrimination complaints made up 8 percent of HUD complaints in FY 2007.

As in previous years, retaliation, religion, and color were the least common bases of housing discrimination complaints filed with HUD. In FY 2007, retaliation, religion, and color were each cited in 5 percent, 2 percent, and one percent of complaints, respectively.

**Issues in Complaints Filed**

Complaints of housing discrimination must specify the discriminatory actions that allegedly violated or will violate the Fair Housing Act. HUD records these discriminatory practices in overarching categories, or “issues.” For example, a complaint alleging that a person was told there were no units available, when a unit was in fact open, would be recorded under the issue “False Denial or Representation of Availability.” Table 3.2 shows the number of complaints filed with HUD from FY 2004 to FY 2007 broken down by issue. After each issue, the section of the Fair Housing Act prohibiting the activity is provided. If a single complaint alleged multiple issues, it was counted under each issue alleged.

**Table 3.2 Issues in HUD Complaints (FY 2004-FY 2007)**

Issue	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Refusal to Sell § 804(a) and § 804(f)(1)	83	3%	40	2%	59	2%	46	2%
Refusal to Rent § 804(a) and § 804(f)(1)	663	24%	516	23%	687	24%	622	25%
Steering § 804(a) and § 804(f)(1)	60	2%	30	1%	27	1%	29	1%
Discriminatory Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sale of Property § 804(b) and § 804(f)(2)	1,742	62%	1,280	57%	1,746	62%	1,534	63%
Discriminatory Notices, Statements, or Advertisements § 804(c)	151	5%	160	7%	133	5%	157	6%
False Denial or Representation of Availability § 804(d)	67	2%	64	3%	77	3%	62	3%
Refusal to Permit a Reasonable Modification § 804(f)(3)(A)	43	2%	43	2%	38	1%	42	2%
Failure to Make a Reasonable Accommodation § 804(f)(3)(B)	475	17%	445	20%	556	20%	583	24%
Noncompliance with Design and Construction Requirements § 804(f)(3)(C)	59	2%	100	4%	105	4%	45	2%
Discriminatory Financing § 805(a)	185	7%	138	6%	170	6%	137	6%
Mortgage Redlining § 805 or Insurance Redlining § 804(a) and/or § 804(b)	2	<0.5%	8	<0.5%	1	<0.5%	5	<0.5%
Refusal to Provide Insurance § 804(a) and/or § 804(b)	3	<0.5%	1	<0.5%	2	<0.5%	1	<0.5%
Coercion or Intimidation, Threats, Interference, and Retaliation § 818	375	13%	367	16%	464	16%	443	18%
Number of Complaints Filed	2,817	/	2,227	/	2,830	/	2,449	/
Percentages do not total 100 percent because complaints may contain multiple issues. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

Over the past four fiscal years, the most common allegation in housing discrimination complaints filed with HUD was discriminatory terms, conditions, privileges, services, and facilities in the sale or rental of dwellings. This broad category includes actions that unlawfully subject individuals to different treatment, such as when a real estate agent quotes minority homebuyers a higher sale price than white homebuyers or when an apartment manager charges wheelchair users a higher deposit. In FY 2007, 63 percent of HUD complaints included an allegation of discriminatory terms and conditions.

In FY 2007, there was a virtual tie for the second most common issue in housing discrimination complaints filed with HUD: discriminatory refusal to rent was alleged in 25 percent of complaints, while 24 percent of complaints alleged failure to make a reasonable accommodation. Table 3.2 shows that reasonable accommodation complaints experienced the largest increase in number of complaints filed with HUD and share of total complaints between FY 2006 and FY 2007, rising from 20 percent of complaints filed to 24 percent of complaints filed.

The requirement to make a reasonable accommodation is one of three provisions in the Fair Housing Act that are specific to the needs of persons with disabilities. Under the Fair Housing Act, a housing provider must make reasonable accommodations in its rules, policies, practices, or services, if it is necessary to afford equal opportunity to a person with a disability to use and enjoy a dwelling. For example, if a housing provider does not allow pets, but a blind person requires the use of a seeing-eye dog, the housing provider must allow the resident to have the assistance animal as long as the accommodation request is reasonable.<sup>5</sup>

Another provision of the Fair Housing Act that applies only to persons with disabilities is the requirement that a housing provider permit, at the expense of the resident, reasonable modifications to the unit and public and common use areas of a building, such as lobbies and entrances, if such modifications are necessary for the resident to have full enjoyment of the premises.<sup>6</sup> For example, if a person in a wheelchair requires a ramp in order to access the

#### **HUD Charges Montana Landlord with Violating the Fair Housing Act by Refusing to Rent to a Woman Because She has a Teenage Daughter**

HUD v. Donald A. Bedford and Joan K. Bedford

On March 8, 2006, Wendy Clement saw an advertisement in the newspaper for a two-bedroom apartment located in Bigfork, MT. Clement called the number listed in the advertisement and spoke to Joan Bedford, who owned and managed the building along with her husband.

Bedford informed Clement that the apartment was still available and asked whether anyone else would be residing in the unit. Clement explained that her teenage daughter would be living there as well. When Bedford heard this, she allegedly told Clement that she was concerned because teenagers like to have friends over and the other tenants in the building would not tolerate any noise. Clement explained that her daughter had lived in apartments before and would not disturb the neighbors. However, when Clement asked to see the unit, Bedford allegedly informed her that the Bigfork Eagle, a local newspaper, would come out the following day and have rentals more suitable for her.

Clement contacted Montana Fair Housing, a private fair housing group that received a Fair Housing Initiatives Program grant, who conducted testing to determine if Bedford was discriminating against families with children. Montana Fair Housing sent a tester posing as a home seeker with a teenage son. The test found that Bedford discouraged the tester from applying for a unit, telling the tester that the "complex is not suited to kids."

Montana Fair Housing and Clement filed complaints with HUD. HUD conducted an investigation and found that no families with children had lived at the subject property since 2002. Furthermore, no teenagers had lived there since 1998.

On March 29, 2007, HUD charged Bedford and her husband with violating the Fair Housing Act by refusing to rent to families with children and making discriminatory statements based on familial status. The parties elected to have the case heard in federal district court and, on June 11, 2007, the U.S. Department of Justice filed a complaint in the U.S. District Court for Montana.

<sup>5</sup> It should be noted that a housing provider can deny a request for an accommodation if it is not made by or on behalf of a person with a disability, if there is no disability-related need for the accommodation, or if the accommodation is not reasonable because it would impose an undue financial and administrative burden on the housing provider or result in a fundamental alteration to its operations. When a housing provider refuses to grant a requested accommodation because it is not reasonable, the provider should discuss with the requester whether there is an acceptable alternative accommodation that would effectively address his or her disability-related needs.

<sup>6</sup> It should be noted that a housing provider can deny a request for a modification if it is not made by or on behalf of a person with a disability or if there is no disability-related need for the modification. In addition, the landlord may obtain reasonable assurances that the work will be done in a workmanlike manner and, in rental situations, the landlord may grant permission for a modification on the condition that the renter restore the interior of the dwelling to its prior condition.

sunken living room of his or her apartment, the housing provider must permit the resident to make that modification as long as it is reasonable. However, the housing provider may place reasonable conditions on the grant of permission to make modifications to the interior of the unit, e.g., the housing provider may require the disabled tenant to remove the interior ramp upon moving out of the unit. In FY 2007, 2 percent of HUD complaints contained an allegation of refusal to permit a reasonable modification.

The Fair Housing Act also requires that particular multifamily dwellings constructed for first occupancy after March 13, 1991, contain particular design and construction features identified in the Fair Housing Act that make the property accessible to persons with disabilities. The accessibility requirements apply to all units in multifamily buildings with elevators and to the ground floor units in multifamily buildings that do not have elevators. All common spaces, such as mailboxes and laundry rooms, must be accessible regardless of building type. In FY 2007, complaints alleging noncompliance with the design and construction requirements made up 2 percent of housing discrimination complaints filed with HUD.

In FY 2007, the number of housing discrimination complaints filed with HUD alleging discriminatory refusal to sell made up 2 percent of complaints. The Fair Housing Act also makes it unlawful to falsely tell a prospective buyer or renter that a dwelling is not available or to steer persons to certain neighborhoods, loans, or insurance products because of their race or other protected characteristic. For example, a real estate agent who automatically limits the home search of an African-American couple to neighborhoods with large minority populations would be engaging in unlawful steering. In FY 2007, 3 percent of complaints filed with HUD alleged false denial or representation of availability of housing, while one percent of complaints alleged steering.

Additionally, the Fair Housing Act prohibits discrimination in residential real estate related transactions, including in the making or purchasing of loans or provision of other financial assistance. The Fair Housing Act also prohibits discrimination in the provision of insurance. In FY 2007, complaints alleging discrimination in the provision of financial assistance to purchase, construct, improve, repair, or maintain a dwelling or in the provision of other financial assistance secured by residential real estate made up 6 percent of HUD complaints, while complaints alleging discriminatory refusal to provide insurance made up less than 0.5 percent of complaints. The Fair Housing Act also prohibits lenders and insurers from refusing to do business in certain neighborhoods because of their racial composition or other prohibited basis. This practice, known as redlining, was alleged in less than 0.5 percent of HUD complaints in FY 2007.

#### **HUD Charges Virginia Landlord with Violating the Fair Housing Act by Imposing Stricter Rules on African-American Tenants**

##### HUD v. James Crockett Henry and Henry LLC of Virginia Beach

In April 2006, Annette Reddick and her minor grandson moved into the 15½ Street Apartments in Virginia Beach, VA. Reddick and her grandson are African American.

Shortly after she moved in, the owner, James Crockett Henry, began imposing strict rules on her tenancy and monitoring the visits of her family. One month after Reddick moved in, Henry allegedly came to her apartment and told her he did not want her family visiting the property because “no one wants to see them.” He advised her that her family should remain inside the apartment when they come to visit. Furthermore, Henry allegedly told Reddick that she was not permitted to have visitors when she was not at home and threatened to have her daughter, the mother of her live-in grandson, arrested if her daughter visited the property while Reddick was not at home. In August 2006, Reddick was not at home when her daughter came to visit her grandson and Henry carried out his threat and called the police to have her daughter removed from the property. Henry later terminated Reddick’s lease for allegedly having visitors when she was not present.

Moreover, Henry allegedly required Reddick to abide by his “quiet time” policy. The “quiet time” policy required tenants to remain in their units and engage only in “quiet” activities between 10:00 p.m. and 6:00 a.m.

In September 2006, Reddick filed a housing discrimination complaint with HUD alleging that Henry was discriminating against her because of her race. Later, HUD received four additional complaints from other African-American tenants alleging that they were subject to similar treatment.

During the investigation, HUD found that Henry did not harass the visitors of white tenants, nor did he prohibit white tenants from having visitors while they were not at home. Furthermore, the investigation found that Henry did not impose his “quiet time” policy on white tenants.

On April 27, 2007, HUD charged Henry with violating the Fair Housing Act by discriminating against tenants based on their race. The parties elected to have the case heard in federal district court and, on July 25, 2007, the U.S. Department of Justice filed the case in the Eastern District of Virginia.

When selling or renting a home, it is illegal to make, print, or publish, or cause to be made, printed, or published any statement or advertisement indicating a discriminatory limitation or discriminatory preference related to the sale or rental of housing. For example, it is unlawful for an owner of an apartment complex to advertise his or her building as “no kids,” unless it meets the Fair Housing Act’s definition of housing for older persons, which is exempt from the Fair Housing Act’s prohibition against familial status discrimination. In FY 2007, 6 percent of HUD complaints alleged discriminatory statements or advertisements.

The Fair Housing Act also prohibits actions intended to coerce, intimidate, threaten, interfere with, or retaliate against a person for exercising his or her fair housing rights or aiding another person in doing so. For example, an employee of a real estate firm that is fired for reporting the discriminatory practices of that firm may file a complaint under the Fair Housing Act. In FY 2007, complaints alleging interference or retaliation made up 18 percent of the complaints filed with HUD.

**Compliance with Notice Requirements**

**Complainant Notification**

The Fair Housing Act requires HUD to serve notice to the aggrieved person upon the filing of a housing discrimination complaint. The notice acknowledges the filing of a complaint and provides information regarding important deadlines and the choice of forums provided by the Fair Housing Act.

HUD has automated this function so that as soon as an investigator enters a complaint into HUD’s database, the Title Eight Automated Paperless Office Tracking System (TEAPOTS), a notice is automatically printed out. The investigator then mails it to the aggrieved person. HUD sends notices via first class mail with return receipts. In FY 2007, HUD routinely issued notices for the 2,449 complaints it received.

**Respondent Notification**

The Fair Housing Act requires HUD to serve notice on each respondent within 10 days of the filing of a complaint or the identification of an additional respondent. The notice must identify the alleged discriminatory housing practice(s) and advise the respondent of all procedural rights and obligations. A copy of the complaint must be included.

HUD has automated this function so that a notice and a copy of the complaint are automatically generated when a complaint is entered into TEAPOTS. An investigator then mails the materials to each respondent.

**HUD Charges Connecticut Landlord with Violating the Fair Housing Act by Refusing to Allow a Tenant with a Disability to Have a Service Animal**

HUD v. Mahmoud Hussein

In June 2005, Ann Mitchell sought to rent a single-family home in Connecticut. When she visited the property, she explained to the owner, Mahmoud Hussein, that her 9-year-old daughter suffers from epilepsy and requires a service dog to control her seizures. Hussein allegedly told Mitchell that he would not rent the house to her if the service animal was going to be on the premises.

Since Mitchell needed to get her daughter settled before school began, she placed the service dog with another family and signed a one-year lease with Hussein in July 2005.

By September 2005, Mitchell noticed that her daughter was having more frequent and severe seizures. She took her daughter to the doctor, who concluded that the increase in seizures was due to the loss of the service animal and recommended that she get her daughter a “therapy dog.” During the months that followed, Mitchell repeatedly attempted to give Hussein a copy of a letter from the doctor explaining that her daughter required a service dog, but Hussein allegedly continued to refuse to permit a service animal on the property.

In June 2006, Mitchell talked to Hussein about renewing her lease and informed him that she would be getting her daughter another service animal in February 2007. After that, Hussein allegedly refused to renew her lease, but permitted her to stay on a month-to-month basis until she found alternative housing. However, he allegedly stated that he would not allow a dog on the property under any circumstances.

Mitchell contacted the Connecticut Fair Housing Center, a private fair housing group that received a Fair Housing Initiatives Program grant, which assisted her with filing a housing discrimination complaint with HUD on behalf of her minor daughter. After Mitchell filed a complaint, Hussein allegedly refused to accept her rent via certified mail and attempted to evict her. HUD investigated the case and, on June 7, 2007, charged Hussein with violating the Fair Housing Act by making a dwelling unavailable, requiring different terms and conditions for a person with a disability, refusing to make a reasonable accommodation, and retaliating against a person for filing a complaint. The parties elected to have the case heard in federal district court. On August 7, 2007, the U.S. Department of Justice filed the case in the U.S. District Court for Connecticut.

HUD sends notices via first class mail with return receipts so that the investigators can verify that the respondents received the notices.

In a small number of Fair Housing Act complaints, the respondent was not notified within 10 days. Pursuant to a memorandum of understanding (MOU) with the U.S. Department of Justice, if a criminal investigation was under way, HUD delayed notification of the respondent until the U.S. Department of Justice concluded its criminal investigation. In FY 2007, HUD received 2,449 complaints and consistently provided respondents with notice.

### **Closures**

Chart 3.2 shows the number of complaints closed by HUD in each of the past 4 fiscal years.

**Chart 3.2 HUD Complaints Closed (FY 2004-FY 2007)**

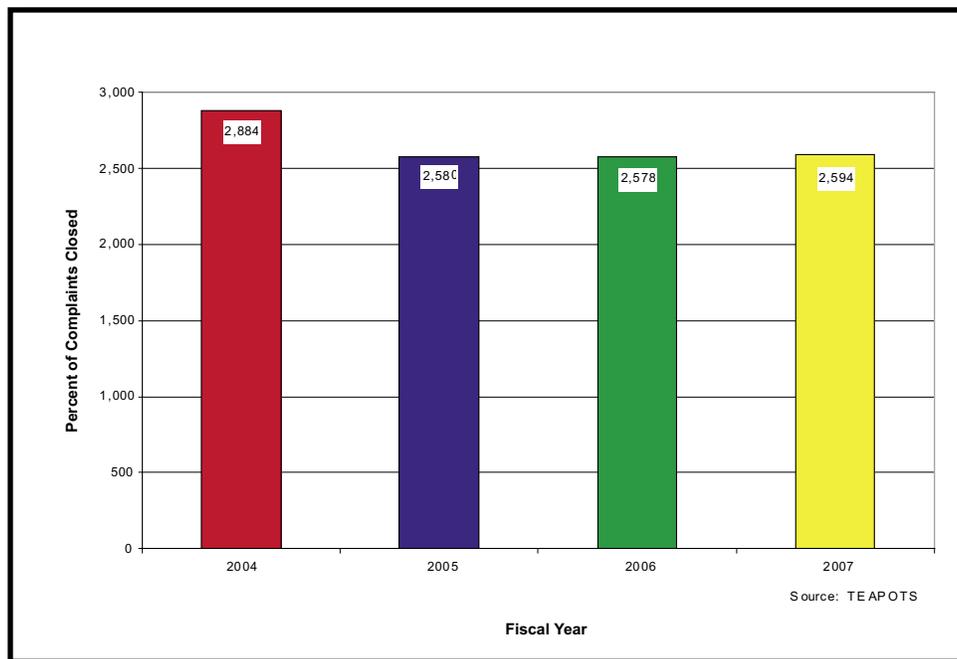


Chart 3.2 shows that in FY 2007, HUD closed 2,594 complaints, slightly more than in FY 2006. From FY 2004 to FY 2007, HUD closed an average of 2,659 complaints annually.

### **Types of Closures**

In FY 2007, HUD complaints resulted in the following outcomes.

**Administrative Closure**—An administrative closure occurs when a complainant withdraws the complaint, fails to cooperate, or can no longer be located. HUD also administratively closes complaints when the Department lacks jurisdiction to investigate the complaint.

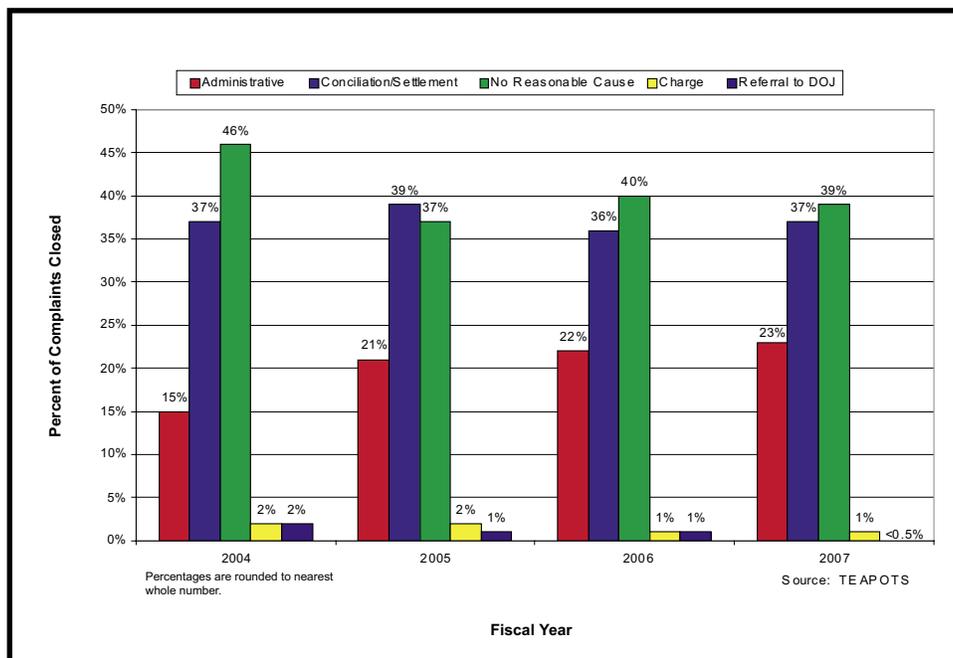
**Conciliation/Settlement**—A complaint may be voluntarily resolved in two ways. First, HUD attempts to conciliate all complaints, as required by the Fair Housing Act. If this is successful, the complainant and the respondent enter into a conciliation agreement that is approved by HUD and enforceable by the U.S. Department of Justice. The conciliation agreement will include provisions that satisfy the public interest. A complaint may also be voluntarily resolved through a private settlement between the complainant and the respondent. A private settlement is not submitted for approval to HUD, is not enforceable by the U.S. Department of Justice, and typically does not contain public interest relief. HUD does not issue a determination in a complaint if it is conciliated or settled prior to the completion of the investigation.

**No Reasonable Cause Determination**—Unless a conciliation agreement is reached during the course of the investigation, HUD conducts a full investigation and issues a no reasonable cause determination if it finds no reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.

**Charge**—Unless a conciliation agreement is reached during the course of the investigation, HUD conducts a full investigation and issues a charge of discrimination if it determines that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.

**U.S. Department of Justice (DOJ) Referral**—HUD refers to DOJ housing discrimination matters that involve criminal allegations, a suspected pattern or practice of discrimination, or possible zoning or land use violations.

**Chart 3.3 HUD Complaint Outcomes, by Type (FY 2004-FY 2007)**



In FY 2007, the distribution of outcomes in HUD complaints was virtually the same as in FY 2006. During the fiscal year, HUD made determinations on the merits of 40 percent of the cases it closed, as follows: 39 percent of these cases were closed with a determination of no reasonable cause and one percent were closed with an issuance of a charge of discrimination.

For the second consecutive year, conciliation or settlement agreements were the second most common way that HUD closed complaints. During FY 2007, HUD closed 37 percent of cases in this manner. At the same time, HUD administratively closed 23 percent of complaints, and referred almost no complaints to the U.S. Department of Justice.

### **Timeliness of Investigations**

When HUD is unable to reach a voluntary resolution in a complaint, the Fair Housing Act requires that HUD complete the investigation and issue a determination within 100 days of the filing of the complaint, unless it is impracticable to do so. The Fair Housing Act requires HUD to report annually on the number of investigations that were not completed within 100 days of the filing of the complaint. In other words, HUD must report the number of investigations that passed the 100-day mark in the fiscal year. For FY 2007, these complaints could have been filed in FY 2006 or FY 2007. The chart below shows the number of investigations that exceeded the 100-day mark in each of the previous 4 fiscal years.

**Chart 3.4 HUD Newly Aged Complaints (FY 2004-FY 2007)**

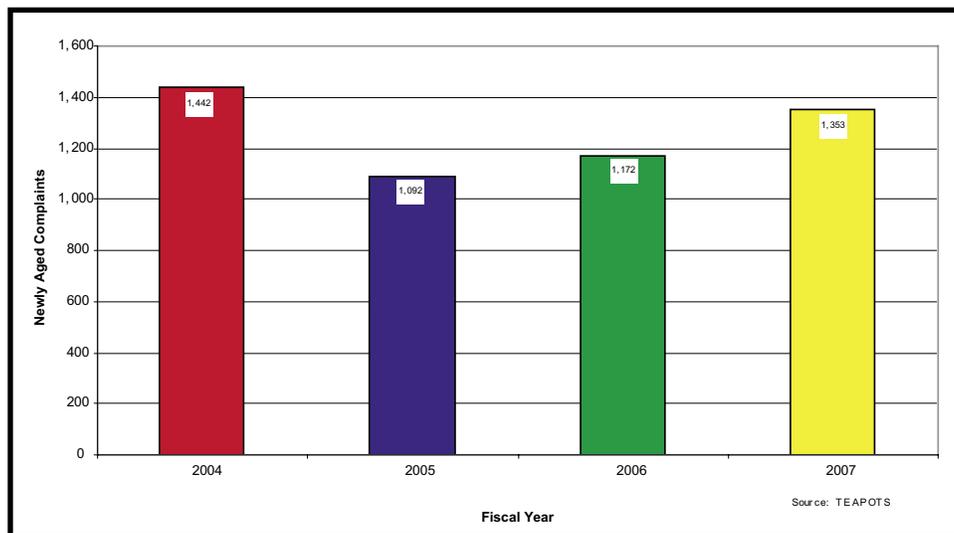


Chart 3.4 shows that in FY 2007, 1,353 HUD investigations passed the 100-day mark, an increase of 181 from FY 2006. From FY 2004 to FY 2007, an average of 1,265 complaints passed the 100-day mark, annually. In general, completion of an investigation was impracticable within 100 days when a complaint involved a great number of witnesses or respondents, large volumes of evidence, or particularly complex evidence.

**Adjudicating Fair Housing Act Complaints**

HUD’s Office of Administrative Law Judges (OALJ) adjudicate the Fair Housing Act complaints that HUD brings on behalf of aggrieved persons, when neither party elects to proceed in federal court. In addition to conducting administrative hearings, OALJ assists parties with settlement negotiations, provides training to the public and attorneys, and facilitates mediation. Table 3.3 shows the Fair Housing Act caseload for OALJ in FY 2007, and Table 3.4 lists the administrative outcomes of those cases.

**Table 3.3 Fair Housing Act Caseload (FY 2007)<sup>7</sup>**

Number of Cases	Status
8	Fair Housing Act Cases Pending at the End of FY 2006
24	Fair Housing Act Cases Docketed in FY 2007
1	Fair Housing Act Cases Remanded to OALJ
33	Total OALJ Fair Housing Act Docket During FY 2007
Source: OALJ Database	

Table 3.3 shows that OALJ carried eight cases over from FY 2006 and docketed 24 Fair Housing Act cases in FY 2007. Additionally, the Secretary remanded a case to OALJ. In total, OALJ had 33 Fair Housing Act cases on its docket in FY 2007.

**Table 3.4 Administrative Outcomes (FY 2007)**

Number of Cases	Status as of September 30, 2007
5	Settlement by Consent Order
2	Remedial Order/Remand Decision
1	Pending ALJ Decision
2	Voluntary Withdrawal of Charge
16	Election to U.S. District Court
2	Pending Administrative Hearing
5	Pending Administrative Hearing or Election to U.S. District Court
Source: OALJ Database	

<sup>7</sup> The Fair Housing Act caseload reported by the OALJ may be a lesser number than the number of charges reported by the Office of Fair Housing and Equal Opportunity (FHEO) and the Office of General Counsel (OGC). This is because FHEO and OGC count the number of complaints received from complainants, while OALJ counts the actual number of charging documents filed, unless the case is a consolidated case involving unrelated acts against separate complainants. Both numbers are accurate.

Table 3.4 shows the outcome of each Fair Housing Act case potentially before an administrative law judge (ALJ) in FY 2007. In five of the cases, the aggrieved person and the respondent, with approval by HUD, opted to settle the complaint with an initial decision and consent order issued by an ALJ. Table 3.5 provides additional detail on the charges that settled by consent order in FY 2007. In two of the cases, ALJs issued decisions after the cases were remanded, and in one of the cases ALJs had not yet issued a decision at the end of FY 2007.

In FY 2007, two of the Fair Housing Act cases on the ALJ docket were voluntarily withdrawn by HUD. One of the cases was withdrawn after consultation with the U.S. Department of Justice and was later filed in federal district court, alleging the respondents had engaged in a pattern or practice of discrimination. The other case was withdrawn to correct a technical deficiency and was charged later in the fiscal year.

Under the Fair Housing Act, the complainant, respondent, or an aggrieved person on whose behalf the complaint was filed may elect to have his or her case heard in federal district court instead of before an ALJ. An election to federal district court must be made within 20 days after being served with the charge of discrimination. In 16 cases, the aggrieved person or the respondent elected to go to federal court. At the end of FY 2007, two cases were pending administrative hearings, and five cases were still within the 20-day election period and neither the complainant nor respondent had elected to proceed in federal district court.

**Table 3.5 Post-Charge Consent Orders (FY 2007)**

Basis of Charge	Damages	Civil Penalties
Race and Disability	\$10,000	
Race and Disability	\$6,000	\$500
Disability	\$10,000	
Disability	\$7,500	
Disability	\$8,000	

Source: OALJ Database

Table 3.5 shows the five cases that resulted in consent orders in FY 2007. Housing discrimination charges heard before an ALJ carry a maximum civil penalty of \$16,000 for a first offense. In addition, the ALJ may award actual damages for the aggrieved person, injunctive or other equitable relief, and attorney fees and costs for the prevailing party other than HUD. In FY 2007, a total of \$42,000 was recovered through consent orders.

**Commencement of ALJ Hearings**

The Fair Housing Act requires that administrative hearings begin within 120 days of the issuance of a charge, unless it is impracticable to do so. In FY 2007, the only Fair Housing Act hearing held before an ALJ did not begin within 120 days of the issuance of a charge. The hearing was held after the statutory deadline because the charging party filed a Motion for Default and a Motion for Extension of Time, and the ALJ granted these motions. As a result, the case was heard on September 11, 2007, 140 days after the issuance of the charge of discrimination.

**Issuance of ALJ Decisions**

The Fair Housing Act requires an ALJ to make findings of fact and conclusions of law within 60 days after an administrative hearing has ended, unless it is impracticable to do so. The only Fair Housing Act case heard by an ALJ in FY 2007 was not decided before the end of the fiscal year. However, the 60-day deadline had not yet passed.

Nevertheless, ALJs issued decisions in two cases that the Secretary remanded. Table 3.6 provides more detail on these cases.

**Table 3.6 ALJ Decisions (FY 2007)**

Basis of Charge	Damage	Civil Penalties	Other Relief
Disability	\$5,730.45	\$4,500	Pay for retrofitting property
Familial Status	\$12,000	\$2,500	None

Source: OALJ Database

Table 3.6 shows that ALJs issued two decisions in FY 2007. One decision was issued in a case that involved a 12-unit, three-story apartment building whose owners were charged with violating the Fair Housing Act by failing to meet its design and construction requirements. On August 24, 2006, an ALJ issued an initial decision to dismiss the case on the basis that HUD had not met its burden of showing that the property was inaccessible and violated the Fair Housing Act. On September 21, 2006, upon review of the evidentiary record, the Secretary reversed the ALJ’s decision, concluded that the respondents violated the Fair Housing Act’s design and construction requirements, and remanded the case to OALJ. On June 1, 2007, an ALJ issued a remedial order that ordered the respondents to pay \$5,730.45 in damages and a \$4,500 civil money penalty, as well as pay for retrofitting the property. In July 2007, the respondents filed an appeal in the Court of Appeals for the Ninth Circuit.

The second decision was issued in a case that involved a landlord who allegedly made discriminatory statements toward a single woman with children. On December 3, 2004, an ALJ dismissed the case, citing lack of evidence, and denied the complainant’s motion to add a retaliation claim. Because the HUD Secretary did not modify, reverse, or remand the ALJ decision, it became a Final Agency Order on January 3, 2005. The complainant, intervening on her own behalf, appealed to the U.S. Court of Appeals for the Seventh Circuit, arguing that there was sufficient evidence offered during the hearing to establish that she had been discriminated against. She also argued that the respondent had retaliated against her after she had filed her housing discrimination complaint by making harassing telephone calls to her home. On February 2, 2007, the Seventh Circuit ruled that the complainant had proved her allegation of discriminatory statements, but agreed with the ALJ that she raised the subsequent allegation of retaliation too late to be considered. This decision did not include a directive or mandate to OALJ for further proceedings or actions. Therefore, OALJ lacked jurisdiction and denied the motions filed by the intervener and the charging party for a Ruling on Damages and Civil Penalties. In response, the charging party filed a petition for review with the Secretary. On July 24, 2007, the Secretary issued an Order on Secretarial Review in which he remanded the case to OALJ for a decision on damages and civil money penalties.

On August 1, 2007, an ALJ issued a remand decision ordering the respondent to pay \$12,000 in damages to the complainant and her children and pay \$2,500 in civil money penalties.

### Secretary-Initiated Enforcement

Under Sections 810(a)(1)(A)(i) and (iii) of the Fair Housing Act, 42 U.S.C. § 3610, the Secretary of HUD has the authority to conduct an investigation and file a complaint in the public interest when there is reason to believe that a discriminatory housing practice has occurred or is about to occur. The authority to conduct Secretary-initiated investigations and file Secretary-initiated complaints is useful when HUD has evidence of housing discrimination but an injured party is unwilling or unable to come forward to file a complaint. Secretary-initiated investigations and complaints follow the same timelines and processes as required in individual housing discrimination complaints filed by individuals and fair housing organizations. The following sections provide detail on Secretary-initiated enforcement between October 1, 2006, and September 30, 2007.

### Secretary-Initiated Investigations

HUD launches a Secretary-initiated investigation when it learns of allegations of unlawful discrimination in housing or housing-related transactions, but does not have sufficient evidence to file a complaint. If a Secretary-initiated investigation finds evidence of unlawful discrimination, HUD files a Secretary-initiated complaint against the respondent. If the investigation does not find sufficient evidence of discrimination, HUD ends the investigation. In FY 2007, HUD began five Secretary-initiated investigations and filed a Secretary-initiated complaint based on the findings of one of these investigations.

**Table 3.7 Bases of Secretary-Initiated Investigations (FY 2007)**

Number of Investigations	Basis
3	Race
3	National Origin
1	Disability
1	Familial Status
0	Religion
0	Sex
0	Color
0	Retaliation

Source: Office of Systemic Investigations

Table 3.7 shows the bases of Secretary-initiated investigations launched in FY 2007. If a Secretary-initiated investigation alleged more than one basis, it was counted once under each basis alleged. In FY 2007, the most common bases for Secretary-initiated investigations were race and national origin, each cited in three

investigations. Additionally, disability and familial status were each cited in one investigation. Because of the preliminary nature of Secretary-initiated investigations, HUD does not provide information on the respondents in such investigations.

**Table 3.8 Secretary-Initiated Investigation Outcomes (FY 2007)**

Number of Investigations	Outcome
1	Complaint Filed

Source: Office of Systemic Investigations

Table 3.8 shows that HUD filed one complaint based on a Secretary-initiated investigation. This investigation was of The Mill, an apartment complex located in Scranton, PA, and it was filed as a Secretary-initiated complaint in FY 2007. The remaining Secretary-initiated investigations remained open at the end of the fiscal year.

**Secretary-Initiated Complaints**

HUD files a Secretary-initiated complaint when it has evidence that a discriminatory housing practice has occurred or is about to occur, but an aggrieved person has not come forward to file a complaint. HUD also files a Secretary-initiated complaint when it receives an individual complaint, but believes there may be additional victims of the discriminatory act or wants to obtain broader relief in the public interest. In FY 2007, HUD filed 12 Secretary-initiated complaints.

**Table 3.9 Bases of Secretary-Initiated Complaints (FY 2007)**

Number of Complaints	Basis
6	Religion
4	Familial Status
2	Race
1	National Origin
1	Disability
0	Sex
0	Color
0	Retaliation

Source: Office of Systemic Investigations

Table 3.9 shows the bases of Secretary-initiated complaints filed in FY 2007. If a Secretary-initiated complaint alleged more than one basis, it was counted once under each basis alleged. In FY 2007, religion was the most common basis of Secretary-initiated complaints, cited in six complaints.

In FY 2007, four Secretary-initiated complaints alleged discrimination on the basis of familial status and two complaints alleged discrimination on the basis of race. Additionally, national origin and disability were each alleged in one Secretary-initiated complaint.

The following section provides detail on the 11 Secretary-initiated complaints that were filed in FY 2007 and remained open at the end of the fiscal year. The remaining complaint, [HUD v. Iberville Parish](#), is described below under “Secretary-Initiated Complaints Closed.”

[HUD v. Christian Real Estate Agents](#), [HUD v. Christian Real Estate Network](#), [HUD v. Christian Realty Network](#), [HUD v. Kingdom Real Estate Address](#), [HUD v. CatholicAgent.com](#), and [HUD v. JewishAgent.com](#)

In FY 2007, HUD filed Secretary-initiated complaints against six Internet-based real estate professional organizations alleging that they limited membership on the basis of religion. The Fair Housing Act makes it unlawful to deny any person membership or participation in a real estate broker organization or any other similar organization on the basis of race, color, religion, national origin, sex, disability, or familial status. The websites of these organizations contained language that limited membership to people of the same faith. For this reason, HUD filed Secretary-initiated complaints against Christian Real Estate Agents, Christian Real Estate Network, Christian Realty Network, Kingdom Real Estate Address, CatholicAgent.com, and JewishAgent.com.

#### HUD v. Summer Place Apartments

In FY 2007, HUD filed a Secretary-initiated complaint against the owners of Summer Place Apartments, located in Las Vegas, NV, alleging that they discriminated on the bases of disability and familial status.

HUD conducted an investigation of Summer Place Apartments after it received a complaint from a resident of the property alleging that one of the owners told her that she could not have her 6-year-old daughter move in because children were not permitted at the property. The investigation found evidence that the property had a long-running policy of refusing to permit families with children to live there.

#### **HUD Obtains \$10,000 Settlement for Disabled Man who was Allegedly Denied an Accessible Parking Space**

[HUD v. 2000 Linwood Avenue Owners, Inc., and Rita Neary](#)

In June 2002, Robert Dublirer purchased a unit at Mediterranean Towers South, a private apartment complex located in Fort Lee, NJ. Dublirer is physically disabled and uses forearm crutches to assist him with his disability. At the time of purchase, Dublirer informed the board members of the cooperative that he would need an accessible parking space. The board told him that the complex did not have accessible parking spaces, but had what they called “preferential parking.”

When Dublirer spoke to property manager Rita Neary about the preferential parking, she told him that he would be assigned a regular parking space and placed on a list for preferential parking. In the following months, Dublirer made independent efforts to try and find a closer parking space. Dublirer was able to make arrangements with two separate unit owners to sublet and use their parking spaces. However, these spaces did not meet his needs for an accessible parking space.

In April 2003, Dublirer's wife sent a letter to the Board requesting a closer parking space to accommodate her husband's disability. In May 2003, the complainant presented a written request directly to the Board. By the winter of that year, Dublirer still had not been granted an accessible parking space. As a result, Dublirer had problems gaining entry to the building due to the weather and the lack of snow removal from the outdoor garage parking spaces where he was assigned. He fell several times in the parking lot and sustained bruises and hematomas.

On January 7, 2004, Dublirer filed a complaint with HUD. HUD conducted an investigation and in September 2006 charged the owners of the complex, 2000 Linwood Avenue Owners, Inc., and property manager Neary with violating the Fair Housing Act for failing to make a reasonable accommodation and discriminating in the terms and conditions of the sale of a dwelling. On February 14, 2007, the parties entered into an initial decision and consent order. Although the respondents admitted no wrongdoing, they agreed to pay \$10,000 to Dublirer, give him an accessible parking space, and adopt a reasonable accommodation policy for the property. Additionally, Neary agreed to attend fair housing training.

As a result, HUD suspected that Summer Place Apartments may have discriminated against others on the basis of familial status and filed a Secretary-initiated complaint against the owners of the property. Shortly after filing its complaint, HUD amended the complaint to include an allegation of discrimination on the basis of disability when it learned that the property had allegedly failed to make reasonable accommodations for persons with disabilities.

#### HUD v. Village Carefree Communities and HUD v. Windsor Gardens

In FY 2007, HUD filed Secretary-initiated complaints against Village Carefree Communities, a condominium community in Midvale, UT, and Windsor Gardens, a condominium community in Denver, CO. HUD filed the complaints when it learned that both properties required that residents be age 50 or older and that they marketed themselves as communities for adults age 50 and older.

The Fair Housing Act prohibits housing providers from discriminating against families with children unless the housing qualifies as “housing for older persons.” The Fair Housing Act defines “housing for older persons” as housing intended and operated for occupancy by at least one person age 55 or older per unit.<sup>8</sup>

Village Carefree Communities and Windsor Gardens do not qualify as “housing for older persons” because they require residents to be at least 50 years old, rather than 55. Therefore, these properties would violate the Fair Housing Act if they excluded families with children. In FY 2007, HUD filed complaints against both properties.

#### HUD v. The Mill

In FY 2007, HUD filed a Secretary-initiated complaint against the owner, manager, and management company of The Mill, an apartment complex located in Scranton, PA, alleging that they discriminated on the basis of familial status.

Earlier in the fiscal year, HUD learned that Internet advertisements for the property allegedly stated that it was for “adults only.” HUD in conjunction with the Fair Housing Council of Montgomery County (FHCMC), a private fair housing group that is a Fair Housing Initiatives Program grant recipient, conducted on-site and telephone tests of the property to determine if it was, in fact, discriminating against families with children. The tests showed evidence that the property discouraged families with children from living there. As a result, HUD launched a Secretary-initiated investigation of The Mill and ultimately filed a Secretary-initiated complaint against the owner, manager, and management company of the property.

#### HUD v. Carbrook Management, et al.

In FY 2007, HUD filed a Secretary-initiated complaint against the owners and agents of Carbrook Management, a property management company located in Brooklyn, NY, alleging that they discriminated on the basis of race in violation of the Fair Housing Act.

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<sup>8</sup> It is important to note that there are two additional categories of “housing for older persons” under the Fair Housing Act: (1) housing intended for, and solely occupied by persons 62 years of age or older and (2) housing provided under any federal or state program that the Secretary of HUD determines is specifically designed and operated to assist elderly persons.

HUD conducted an investigation of Carbrook Management after it received a complaint from an African-American woman alleging that they refused to rent to her because of her race. The investigation found that in the past 7 years, Carbrook Management had leased only three units in this building to African-American households, compared to approximately 83 units to white households. Furthermore, the three African-American households that lived in the building were permitted to move in only after they filed complaints of housing discrimination against the owners and management. In the course of its investigation of the individual complaint, HUD suspected that discriminatory practices may be in effect in all of the properties that Carbrook Management managed.

Based on these findings, HUD filed a Secretary-initiated complaint against Carbrook Management and the owners of the properties it managed: 760 Montgomery Street Corporation, CHLC Realty Corporation, C.Y. Empire Corporation, Givoh Associates, KZHB Associates, La Hayeem Realty Associates, Mivzah Realty Corporation, Nachla Realty Associates, and Vin’s Crown Realty Associates.

**Table 3.10 Secretary-Initiated Complaints Closed (FY 2007)**

Number of Complaints	Outcome
1	Charge
1	Conciliation/Settlement

Source: Office of Systemic Investigations

Table 3.10 shows that HUD closed two Secretary-initiated complaints in FY 2007. The following section describes the outcome of each of the cases.

HUD v. Erie Insurance Group

In April 2005, HUD filed a Secretary-initiated complaint alleging that Erie Insurance Group (Erie) and five agencies licensed to sell Erie insurance products engaged in racial discrimination. The Fair Housing Act and its implementing regulations make it illegal to refuse to provide property or hazard insurance for dwellings or to subject current or potential policy-holders to different terms because of their race.

HUD conducted an investigation of Erie after it received a complaint from the Fair Housing Council of Central New York (FHCCNY) alleging that its testing indicated possible racial discrimination. FHCCNY conducted a total of 12 paired tests and found that Erie insurance agents did not provide African-American neighborhoods in Syracuse, NY, with the same level of insurance coverage they provided for similar homes in predominantly-white neighborhoods in Liverpool, NY.

In the course of its investigation, HUD found that in New York State, the higher the African-American population in a neighborhood, the less likely Erie was to write an insurance policy there. In addition, HUD found that Erie was less likely to appoint agents to neighborhoods with large African-American populations. Based on this evidence, on October 20, 2006, HUD charged Erie Insurance Group and five agencies licensed to sell Erie insurance products with discriminating on the basis of race in violation of the Fair Housing Act.

### HUD v. Iberville Parish

In January 2006, HUD opened a Secretary-initiated investigation of Iberville Parish, LA, to determine whether the Parish violated the Fair Housing Act when the Parish Council adopted a resolution that prohibited the Federal Emergency Management Agency (FEMA) from placing trailer parks in 17 specific site locations within the Parish. The resolution was generated in response to 4,972 evacuee households residing in hotels and other forms of emergency housing who had requested transitional housing in Iberville Parish. HUD investigated the matter in order to determine whether or not race might have played a role in the Parish adopting the resolution.

On November 14, 2006, HUD filed a Secretary-initiated complaint against Iberville Parish and, on December 4, 2006, the parties executed a conciliation agreement. As part of the agreement, the Parish agreed that mobile home park owners of commercial sites operating within the unincorporated areas of Iberville Parish could place FEMA mobile homes or trailers on their properties.

### **HUD Fair Lending Enforcement**

Homeownership is one of the pinnacles of the American dream, signifying success and financial stability and providing a means of accumulating wealth. The significance and importance placed on homeownership have helped propel the U.S. homeownership rates as high as 70 percent. The record homeownership rates in recent years are attributed, in part, to the rise of subprime lending or loan products that allow borrowers with less than perfect credit to obtain loans at higher interest rates. With the expansion of this market, many individuals who were not able to qualify for prime loans were able to use subprime products to attain homeownership.

Despite record levels of homeownership, HUD fair lending studies suggest that minorities face discrimination when looking for a mortgage. A HUD study, "All Other Things Being Equal<sup>9</sup>," compared the treatment of whites and minorities when they shopped for mortgage loans. The study found that African-American and Hispanic homebuyers face a statistically significant risk of receiving less favorable treatment than comparable whites when they visit mortgage-lending institutions to inquire about financing options.

In recent years, HUD has stepped up its enforcement efforts against lending discrimination due to the recent rise in foreclosures of subprime loans, particularly in minority communities, and the findings of fair lending studies. Although the number of lending discrimination complaints filed with HUD has dropped slightly, HUD has increased its fair lending enforcement by conducting more investigations of lenders for systemic discrimination. These investigations identify lenders with discriminatory policies and practices that affect numerous applicants and potential applicants throughout the country. In general, these investigations require more time and resources than do complaints filed by individuals.

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<sup>9</sup> This study is available at <http://www.huduser.org>.

**Lending Discrimination Complaints Filed**

**Chart 3.5 HUD Lending Complaints Filed (FY 2004-FY 2007)**

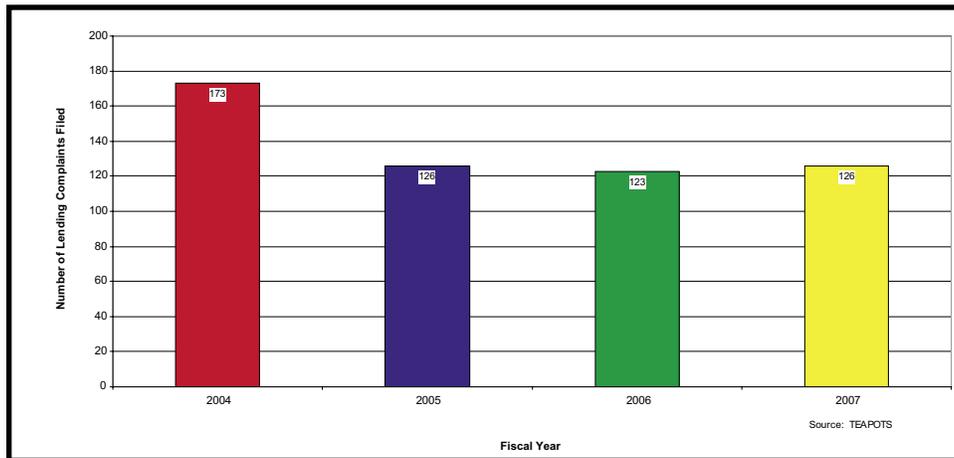


Chart 3.5 shows that HUD received 126 lending discrimination complaints in FY 2007. This was about 5 percent of the 2,449 complaints filed with HUD during the fiscal year. This includes complaints that alleged discrimination in loan terms, conditions, or pricing, as well as complaints that alleged mortgage redlining or predatory lending. Additional lending discrimination complaints were filed with FHAP agencies.

**Lending Discrimination Complaints Closed**

**Chart 3.6 HUD Lending Complaints Closed (FY 2004-FY 2007)**

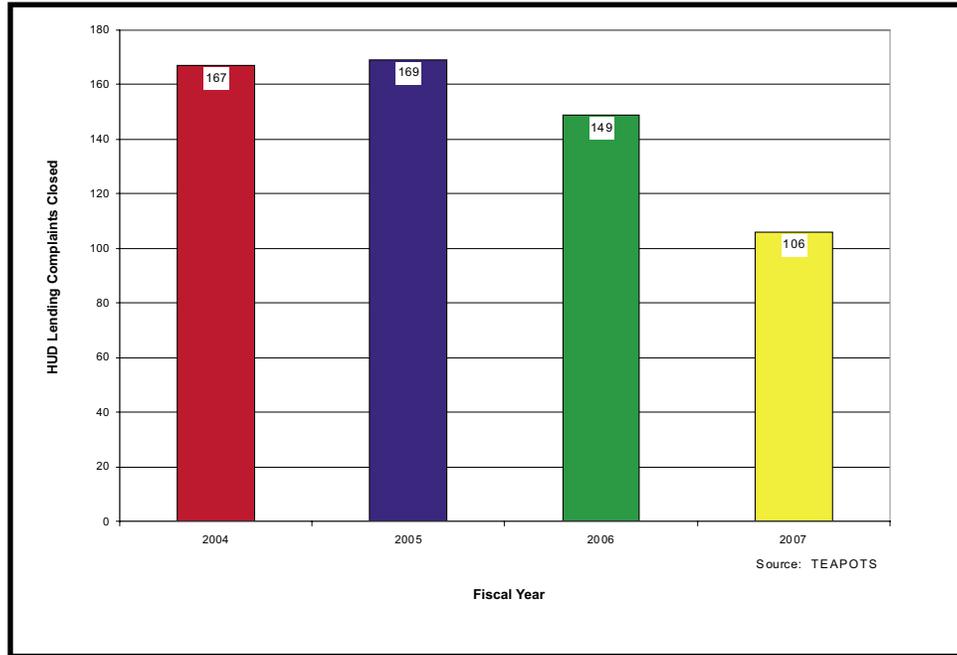


Chart 3.6 shows that in FY 2007, HUD completed the investigation of 106 lending discrimination cases. From FY 2004 to FY 2007, HUD closed an average of 148 lending investigations annually.

**Chart 3.7 HUD Lending Investigation Outcomes, by Type (FY 2004-FY 2007)**

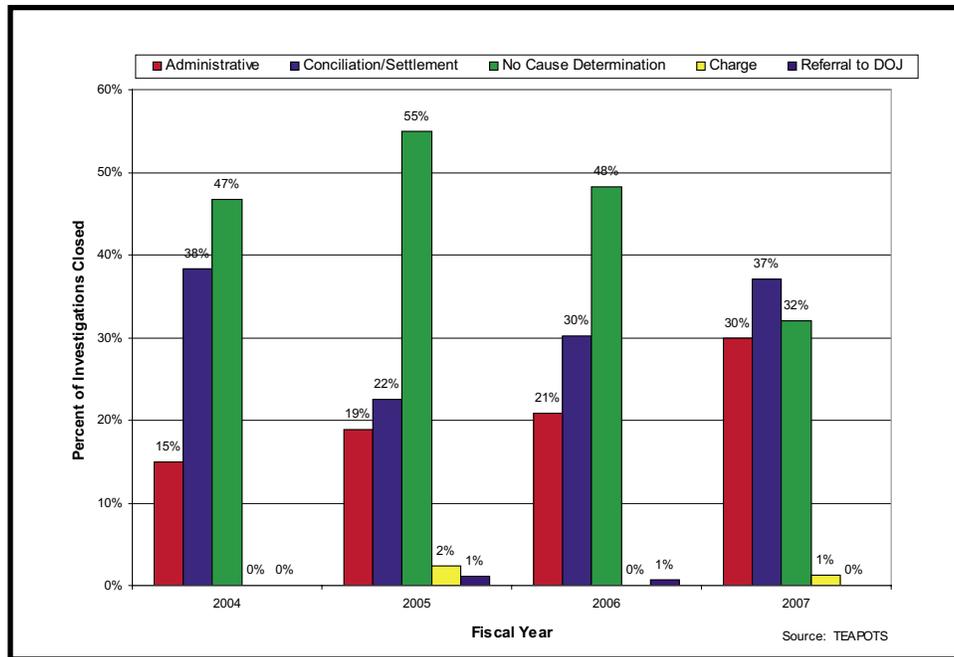


Chart 3.7 shows that HUD made determinations on the merits in 33 percent of the lending investigations it closed in FY 2007; it closed 32 percent of its lending investigations with a determination of no reasonable cause and one percent of its lending cases with a charge of discrimination.

At the same time, HUD conciliated or settled 37 percent of its lending investigations and administratively closed 30 percent of its lending cases. In FY 2007, HUD did not refer any lending complaints to the U.S. Department of Justice.

**Secretary-Initiated Investigations**

In addition to investigating lending discrimination complaints filed by individuals and fair housing groups, HUD can initiate investigations into lenders when it has reason to believe that lending discrimination has occurred or is about to occur. HUD selects lenders for investigation based on HMDA data, lending discrimination complaints filed with government agencies, or information obtained from other sources, such as news media reports.

HUD has launched Secretary-initiated investigations of three independent mortgage companies based, in part, on HMDA data. In FY 2006, HUD began its first Secretary-initiated investigation based on HMDA data and began two additional Secretary-initiated investigations into lenders in FY 2007.

HUD selected these lenders because the HMDA data that they filed for 2004 or 2005 showed significant disparities in the pricing of loans for white borrowers and minority borrowers. Because HMDA data do not include critical information such as the credit scores of the borrowers and the loan-to-value ratio of the properties, it is impossible to ascertain from HMDA data alone whether a lender is engaging in racial discrimination. Therefore, HUD uses its authority under the Fair Housing Act, including its subpoena power, to obtain additional loan information to determine whether the pricing differences can be explained by factors other than race.

### **Fair Lending Unit**

In FY 2007, HUD created a Fair Lending Unit within the Office of Systemic Investigations. The Fair Lending Unit provides in-house expertise to handle the growing number of systemic investigations of lending discrimination. Additionally, the Fair Lending Unit periodically reviews Fannie Mae and Freddie Mac for compliance with the Fair Housing Act and the fair housing provisions and housing goals of the Federal Housing Enterprises Financial Safety and Soundness Act.

The Fair Lending Unit is staffed by an economist and fair lending specialists. In FY 2007, HUD hired an economist as its first staff person for the unit. The economist conceptualizes, plans, programs, and carries out innovative in-depth models to ascertain the existence of discriminatory lending. In FY 2008, HUD plans to hire at least five additional fair lending specialists for the unit. These specialists will review HMDA data, housing discrimination complaint data, reports from fair housing groups, and other information to identify lenders for investigation. These specialists will also plan and conduct investigations of lenders to determine if their mortgage lending policies or practices discriminate on the basis of race, color, national origin, religion, sex, disability, or familial status.

### **Fair Lending Grants**

In FY 2007, HUD awarded four grants totaling approximately \$1 million for the development of strategies to address lending discrimination and predatory lending. The grants were awarded to FHAP agencies that are located in states with high foreclosure rates and that have experience with lending discrimination cases. The FHAP agencies that received grants were the Colorado Civil Rights Division, the Massachusetts Commission Against Discrimination, the Ohio Civil Rights Commission, and the Pennsylvania Human Relations Commission.

The FHAP agencies will use these grants to develop mortgage lending enforcement programs that can be used by FHAP agencies nationwide. These programs will include intake procedures, investigation techniques, and education and outreach activities.



## CHAPTER 4 THE FAIR HOUSING ASSISTANCE PROGRAM

### Fair Housing Assistance Program

State and local agencies in HUD's Fair Housing Assistance Program (FHAP) play a significant role in enforcing fair housing laws. They do so by investigating housing discrimination complaints filed under their respective state or local fair housing laws. HUD pays FHAP agencies for each complaint they investigate, based on the timeliness and quality of the investigation. In addition, HUD provides funding to FHAP agencies for capacity-building, training, and information systems.

To participate in the FHAP, a jurisdiction must demonstrate that it enforces a fair housing law that provides rights, remedies, procedures, and opportunities for judicial review that are substantially equivalent to those provided by the federal Fair Housing Act.

In FY 2007, HUD certified one new FHAP agency—the Erie County (Pennsylvania) Human Relations Commission. Additionally, HUD decertified the City of Bradenton (Florida) Community Development Department as a FHAP agency. At the end of FY 2007, there were 107 FHAP agencies in 38 states and the District of Columbia.

#### **Illinois Department of Human Rights Obtains \$14,000 Settlement from a Salesperson who Allegedly Refused to Sell a Home to a Family because they had Children**

[Illinois Department of Human Rights v. American Tradesmen, Inc., and Linda Janeway](#)

Sheri McLenithan was searching for a home to purchase for herself, her husband, and their four children. McLenithan was interested in the homes in Victorian Village, a new American Tradesmen development of single-family homes and town homes located in Gurnee, IL. In particular, McLenithan was interested in purchasing one of the town homes because it was the size she wanted and less expensive than single-family homes of comparable size. Furthermore, Victorian Village was in the school district the McLenithans wanted.

However, when McLenithan informed the salesperson, Linda Janeway, that she was interested in purchasing a town home, she was allegedly discouraged from doing so because she had children. Specifically, McLenithan alleged that Janeway falsely told her that the town home model she was interested in was no longer available and implied that her family did not belong in the town home development because most of the town home owners were professionals and older persons who would not like noisy children running around. Janeway allegedly added that there were no children living in the town homes so her children would not have anyone with which to play.

In April 2004, McLenithan filed a housing discrimination complaint with the Illinois Department of Human Rights (IDHR), an agency that participates in the FHAP. IDHR conducted an investigation and found substantial evidence that Janeway had discouraged McLenithan from purchasing a town home because she had children and made discriminatory statements regarding families with children. IDHR filed a complaint of discrimination with the Illinois Human Rights Commission. In October 2006, the parties settled the complaint. As part of the settlement, American Tradesmen and Janeway agreed to pay \$14,000 to McLenithan, and Janeway agreed to attend fair housing training.

**Table 4.1 FHAP Agencies, by State (FY 2007)**

State	FHAP Agencies
Arizona	State: Arizona Attorney General's Office Localities: City of Phoenix Equal Opportunity Department
Arkansas	State: Arkansas Fair Housing Commission
California	State: California Department of Fair Employment and Housing
Colorado	State: Colorado Civil Rights Division
Connecticut	State: Connecticut Commission on Human Rights and Opportunities
Delaware	State: Delaware Division of Human Relations
District of Columbia	State: District of Columbia Office of Human Rights
Florida	State: Florida Commission on Human Rights Localities: Broward County Office of Equal Opportunity Hillsborough County Board of County Commissioners Jacksonville Human Rights Commission Lee County Office of Equal Opportunity Orlando Human Relations Department Palm Beach County Office of Human Rights Pinellas County Office of Human Rights City of St. Petersburg Community Affairs Department City of Tampa Office of Community Relations
Georgia	State: Georgia Commission on Equal Opportunity
Hawaii	State: Hawaii Civil Rights Commission
Illinois	State: Illinois Department of Human Rights Localities: Springfield Community Relations Commission
Indiana	State: Indiana Civil Rights Commission Localities: Elkhart Human Relations Commission Fort Wayne Metropolitan Human Relations Commission Gary Human Relations Commission Hammond Human Relations Commission South Bend Human Relations Commission
Iowa	State: Iowa Civil Rights Commission Localities: Cedar Rapids Civil Rights Commission Davenport Civil Rights Commission Des Moines Human Rights Commission Dubuque Human Rights Commission Mason City Human Rights Commission Mason City (Cerro Gordo County) Human Rights Commission Sioux City Human Rights Commission Waterloo Commission on Human Rights
Kansas	Localities: Lawrence Human Relations Commission Community and Neighborhood Services Department, City of Olathe Salina Human Relations Department City of Topeka Human Relations Commission
Kentucky	State: Kentucky Commission on Human Rights Localities: Lexington-Fayette Urban County Human Rights Commission Louisville Metro Human Relations Commission
Louisiana	State: Louisiana Public Protection Division
Maine	State: Maine Human Rights Commission
Maryland	State: Maryland Commission on Human Relations
Massachusetts	State: Massachusetts Commission Against Discrimination Localities: Boston Fair Housing Commission Cambridge Human Rights Commission
Michigan	State: Michigan Department of Civil Rights
Minnesota	Locality: City of Duluth Human Rights Office

State	FHAP Agencies
Missouri	State: Missouri Commission on Human Rights Localities: Kansas City Human Relations Department St. Louis Civil Rights Enforcement Agency
Nebraska	State: Nebraska Equal Opportunity Commission Localities: Lincoln Commission on Human Rights Omaha Human Relations Department
New Jersey	State: New Jersey Division on Civil Rights
New York	State: New York State Division of Human Rights Localities: Geneva Human Rights Commission Rockland County Commission on Human Rights
North Carolina	State: North Carolina Human Relations Commission Localities: Asheville/Buncombe County Community Relations Council City of Asheville Charlotte/Mecklenburg County Community Relations Committee City of Charlotte Durham Human Relations Commission Greensboro Human Relations Department New Hanover County Human Relations Commission Orange County Department of Human Rights and Relations Winston-Salem Human Relations Commission
North Dakota	State: North Dakota Department of Labor
Ohio	State: Ohio Civil Rights Commission Localities: City of Canton Fair Housing Commission City of North Olmsted Department of Law Dayton Human Relations Council Parma Law Department Shaker Heights Fair Housing Review Board
Oklahoma	State: Oklahoma Human Rights Commission
Pennsylvania	State: Pennsylvania Human Relations Commission Localities: Erie County Human Relations Commission Lancaster County Human Relations Commission Pittsburgh Human Relations Commission Reading Commission on Human Relations York City Human Relations Commission
Rhode Island	State: Rhode Island Commission for Human Rights
South Carolina	State: South Carolina Human Affairs Commission
Tennessee	State: Tennessee Human Rights Commission Localities: City of Knoxville Department of Community Development
Texas	State: Texas Workforce Commission Localities: Austin Human Rights Commission City of Corpus Christi Department of Human Relations City of Dallas Fair Housing Office Fort Worth Human Relations Commission Garland Office of Housing and Neighborhood Services
Utah	State: Utah Anti-Discrimination Division
Vermont	State: Vermont Human Rights Commission
Virginia	State: Virginia Department of Professional and Occupational Regulation, Fair Housing Administration Locality: Fairfax County Human Rights Commission
Washington	State: Washington State Human Rights Commission Localities: King County Office of Civil Rights Seattle Office for Civil Rights Tacoma Human Rights and Human Services Department
West Virginia	State: West Virginia Human Rights Commission Localities: Charleston Human Rights Commission Huntington Human Relations Commission

## **Investigation of Complaints Under State and Local Fair Housing Laws**

FHAP agencies receive complaints directly from the public in a number of ways—via telephone, the mail, the Internet, or in person. In addition, FHAP agencies receive complaints from HUD. If HUD receives a housing discrimination complaint that falls within the jurisdiction of one of its FHAP agencies, HUD is required by the Fair Housing Act to refer the complaint to that agency. In FY 2007, 76 percent of the complaints within HUD's jurisdiction were filed with FHAP agencies.

The procedures a FHAP agency follows to handle a complaint are substantially similar, though not identical, to those HUD follows under the Fair Housing Act. In general, after receiving a complaint, the FHAP agency interviews the complainant and drafts a formal complaint. This complaint is signed by the complainant and then served on the respondent, who is given an opportunity to respond. The FHAP agency then fully investigates the complaint in a timely manner and, throughout each investigation, works with the parties to conciliate the complaint.

If a FHAP agency is unable to conciliate a complaint, it determines whether there is reasonable cause to believe that housing discrimination has occurred or is about to occur. If the FHAP agency finds no reasonable cause to believe that discrimination has occurred or is about to occur, the complaint is dismissed. In that case, the complainant retains the right to pursue the matter through private litigation.

If a FHAP agency finds reasonable cause to believe housing discrimination has occurred or is about to occur, the agency litigates the complaint in an administrative proceeding or in civil court. The system of adjudication is set forth in each jurisdiction's fair housing law.

**Complaints Filed with FHAP Agencies for Investigation**

Chart 4.1 shows the annual number of complaints filed with FHAP agencies during the past 4 fiscal years.

**Chart 4.1 Complaints Filed with FHAP for Investigation (FY 2004-FY 2007)**

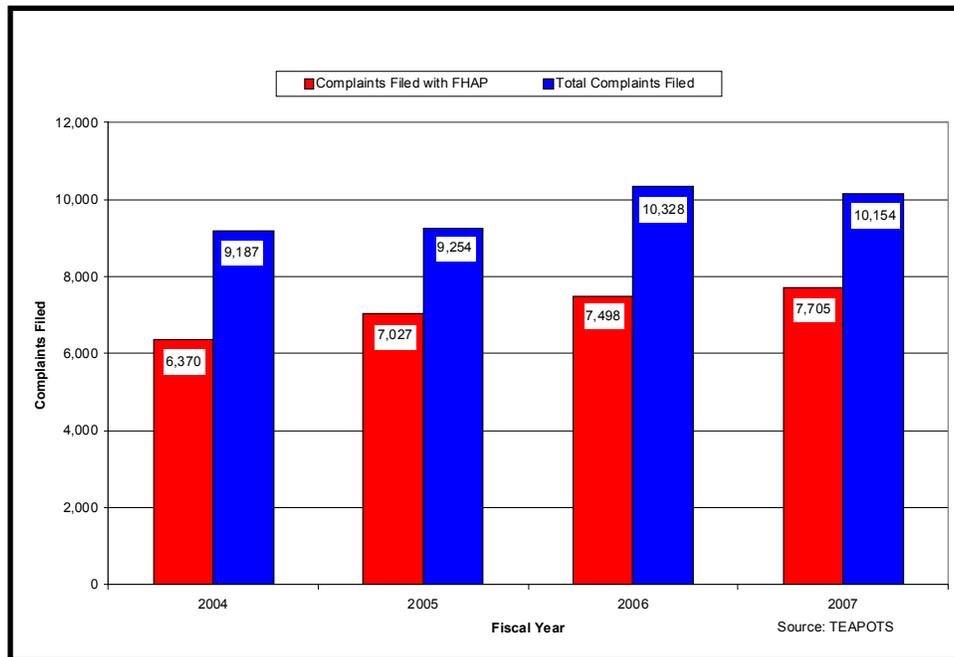


Chart 4.1 shows that the number of complaints filed with FHAP agencies has increased every year from FY 2004 to FY 2007. The number of complaints filed with FHAP agencies increased from FY 2006 to FY 2007, despite a decrease in total housing discrimination complaints during this period. In FY 2007, FHAP agencies received 7,705 complaints, roughly 3 percent more than in FY 2006, and the largest number of complaints filed with FHAP agencies since Congress passed the Fair Housing Amendments Act in 1988.

**Bases in Complaints Filed**

A substantially equivalent state or local law must include the seven prohibited bases enumerated in the federal Fair Housing Act—race, color, religion, national origin, sex, disability, and familial status. A substantially equivalent state or local law must also prohibit acts of retaliation against a person for having filed or assisted with a housing discrimination complaint. Table 4.2 shows the number of complaints filed under each basis. If a single complaint alleged more than one basis, it was counted under each basis alleged.

**Table 4.2 Bases in FHAP Complaints (FY 2004-FY 2007)**

Issue	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Disability	2,371	37%	2,671	38%	2,851	38%	3,214	42%
Race	2,382	37%	2,561	36%	2,812	38%	2,808	36%
Familial Status	977	15%	1,151	16%	1,122	15%	1,143	15%
National Origin	993	16%	1,022	15%	1,152	15%	1,015	13%
National Origin—Hispanic or Latino	717	11%	702	10%	749	10%	603	8%
Sex	678	11%	744	11%	702	9%	805	10%
Religion	169	3%	182	3%	179	2%	212	3%
Color	124	2%	124	2%	118	2%	152	2%
Retaliation	320	5%	357	5%	449	6%	473	6%
Number of Complaints Filed	6,370	/	7,027	/	7,498	/	7,705	/
Percentages do not total 100 percent because complaints may contain multiple bases. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

A single complaint can involve multiple bases under the law. As a result, the total number of bases reported in Table 4.2 is larger than the number of complaints filed.

In FY 2007, for the third consecutive year, disability was the most common basis for housing discrimination complaints filed with FHAP agencies, and race was the second most common basis for complaints. Disability was cited in 42 percent of complaints, and race was cited in 36 percent of complaints.

In FY 2007, familial status was the third most common basis of housing discrimination complaints filed with FHAP agencies, followed by national origin. During this period, familial status complaints and national origin complaints made up 15 percent and 13 percent of complaints, respectively. Familial status or national origin have been the third or fourth most common basis of complaints in the past 4 fiscal years.

Sex discrimination continued to be the fifth most common basis of housing discrimination complaints filed with FHAP agencies; it was alleged in 10 percent of complaints in FY 2007.

As in previous years, retaliation, religion, and color were the least common bases of housing discrimination complaints filed with FHAP agencies, cited in 6 percent, 3 percent, and 2 percent of complaints, respectively.

**Issues in Complaints Filed**

A complaint must allege a discriminatory action that is prohibited by the state’s or locality’s substantially equivalent fair housing law. HUD tracks these discriminatory actions using broad categories called “issues.”

**Table 4.3 Issues in FHAP Complaints (FY 2004-FY 2007)**

Issue	FY 2004		FY 2005		FY 2006		FY 2007	
	Number of Complaints	% of Total						
Refusal to Sell § 804(a) and § 804(f)(1)	243	4%	331	5%	229	3%	188	2%
Refusal to Rent § 804(a) and § 804(f)(1)	1,543	24%	1,760	25%	1,947	26%	2,027	26%
Steering § 804(a) and § 804(f)(1)	44	1%	56	1%	59	1%	47	1%
Discriminatory Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sale of Property § 804(b) and § 804(f)(2)	3,464	54%	3,960	56%	4,259	57%	4,388	57%
Discriminatory Notices, Statements, or Advertisements §804(c)	393	6%	480	7%	408	5%	436	6%
False Denial or Representation of Availability § 804(d)	149	2%	185	3%	159	2%	189	2%
Refusal to Permit a Reasonable Modification § 804(f)(3)(A)	108	2%	117	2%	86	1%	127	2%
Failure to Make a Reasonable Accommodation § 804(f)(3)(B)	996	16%	1,220	17%	1,340	18%	1,511	20%
Noncompliance with Design and Construction Requirements § 804(f)(3)(C)	237	4%	233	3%	123	2%	150	2%
Discriminatory Financing § 805(a)	361	6%	385	5%	382	5%	274	4%
Mortgage Redlining § 805 or Insurance Redlining § 804(a) and/or § 804(b)	16	<0.5%	6	<0.5%	3	<0.5%	7	<0.5%
Refusal to Provide Insurance § 804(a) and/or § 804(b)	8	<0.5%	3	<0.5%	1	<0.5%	2	<0.5%
Coercion or Intimidation, Threats, Interference, and Retaliation § 818	716	11%	825	13%	890	12%	1,034	13%
Number of Complaints Filed	6,370	/	7,027	/	7,498	/	7,705	/
Percentages do not total 100 percent because complaints may contain multiple issues. Percentages are rounded to the nearest whole number.								
Source: TEAPOTS								

Table 4.3 sorts by issue the complaints filed with FHAP agencies from FY 2004 through FY 2007. If a complaint alleged multiple issues, it was counted under each issue alleged. While the complaints are filed under state or local substantially equivalent fair housing laws, the table, for convenience, refers to the section of the federal Fair Housing Act that would apply to that issue.

In FY 2007, the most common allegation in housing discrimination complaints filed with FHAP agencies continued to be discriminatory terms, conditions, privileges, services, and facilities in the sale or rental of dwellings. This broad category includes actions that unlawfully subject individuals to different treatment, such as when a landlord requires African-American applicants to undergo credit checks, but does not require the same of white applicants. In FY 2007, 57 percent of FHAP complaints alleged discriminatory terms and conditions.

As in previous years, the second most common issue in housing discrimination complaints filed with FHAP agencies was discriminatory refusal to rent. In FY 2007, discriminatory refusal to rent was alleged in 26 percent of complaints; discriminatory refusal to sell was alleged in 2 percent of complaints.

In FY 2007, the third most common allegation in housing discrimination complaints filed with FHAP agencies continued to be failure to make a reasonable accommodation. During this period, 20 percent of complaints alleged a failure to make a reasonable accommodation, representing at least the third consecutive year that allegations of a failure to make a reasonable accommodation increased in the number of complaints and share of complaints.

The requirement to make a reasonable accommodation is one of three provisions in the Fair Housing Act that are specific to the needs of persons with disabilities, and state or local laws must contain these or substantially similar provisions in order to be certified as substantially equivalent. The Fair Housing Act requires a housing provider to make a reasonable accommodation in its rules, policies, practices, or services, if it is necessary to afford an equal opportunity to a person with a disability to use and enjoy a dwelling. For example, if an apartment complex with on-site parking is not in the practice of assigning spaces, but a person with mobility impairment requests that the complex reserve a parking space for him or her near his or her unit, the housing provider generally must reserve the space near the unit.<sup>10</sup>



One of the three billboard advertisements placed by the Dubuque, IA, Human Rights Commission during Fair Housing Month.



The Charleston, WV, Human Rights Commission placed advertisements on the tops of taxi cabs to raise awareness of fair housing.

<sup>10</sup> It should be noted that a housing provider can deny a request for an accommodation if it is not made by or on behalf of a person with a disability, if there is no disability-related need for the accommodation, or if the accommodation is not reasonable because it would impose an undue financial and administrative burden on the housing provider or result in a fundamental alteration to its operations. When a housing provider refuses to grant a requested accommodation because it is not reasonable, the provider should discuss with the requester whether there is an acceptable alternative accommodation that would effectively address his or her disability-related needs.

Secondly, under the Fair Housing Act and substantially equivalent state or local fair housing laws, persons with disabilities must be permitted, at their own expense, to modify their housing and related facilities in reasonable ways so they can use and enjoy their housing. Reasonable modification requests may include lobbies, main entrances, and other public and common use areas of buildings, as well as the interior of units. For example, if a person with mobility impairment needs to install grab bars in order to be able to use his or her toilet or shower, the housing provider generally must allow the resident to make that modification.<sup>11</sup> The housing provider would potentially violate fair housing law if he or she refused. In FY 2007, 2 percent of complaints filed with FHAP agencies alleged failure to permit a reasonable modification.

Thirdly, the Fair Housing Act and substantially equivalent state or local fair housing laws require that particular multifamily dwellings constructed for first occupancy after March 13, 1991, contain particular design and construction features identified in the Fair Housing Act that make the property accessible to person with disabilities. The accessibility requirements apply to all units in multifamily buildings with an elevator and to the ground floor units in multifamily buildings without elevators. All of the common spaces, such as lobbies and exercise rooms, must be accessible regardless of building type. In FY 2007, complaints alleging noncompliance with the design and construction requirements made up 2 percent of complaints filed with FHAP agencies.

The Fair Housing Act and substantially equivalent state or local fair housing laws make it unlawful to falsely tell a prospective buyer or renter that a dwelling is not available or to steer persons to certain neighborhoods, loans, or insurance products because of their race or other protected characteristic. For example, a real estate agent who automatically limits the home search of an African-American couple to neighborhoods with large minority populations would be engaging in unlawful steering. In FY 2007, 2 percent of complaints filed with FHAP agencies alleged false denial or representation of availability of housing, while one percent of complaints alleged steering.

<sup>11</sup> It should be noted that a housing provider can deny a request for a modification if it is not made by or on behalf of a person with a disability or if there is no disability-related need for the modification. In addition, the landlord may obtain reasonable assurances that the work will be done in a workmanlike manner and, in rental situations, the landlord may grant permission for a modification on the condition that the renter restore the interior of the dwelling to its prior condition.

**California Department of Fair Employment and Housing Obtains \$75,000 Settlement from Landlord who Allegedly Refused to Rent to an African-American Woman**

California Department of Fair Employment and Housing v. Anna Gambero

In June 2004, Dorothy Landers, an African-American woman, was looking for an apartment to rent. Landers saw a newspaper advertisement offering a one-bedroom condominium for rent in San Carlos, CA. Landers contacted the owner, Anna Gambero, and made an appointment to view the unit. During the conversation, Landers informed Gambero that her source of rental income included a Section 8 voucher.

When Landers arrived at the property, she was met by the president of the homeowners' association whom Gambero had enlisted to show the unit. Shortly after Landers viewed the unit, Gambero telephoned her to see if she wanted to rent it. When Landers stated that she did, Gambero agreed to mail her a rental application, telling her that complying with the Section 8 requirements would not be a problem. Gambero assured Landers that even though there was "a lot of paperwork" involved, "I like you. The place is yours."

Later, Gambero spoke with the president of the homeowners' association who remarked that the association would have its first African-American resident when Landers moved in. Upon hearing this, Gambero became angry and indicated that she did not want to rent to "a black person." That same evening, Gambero informed the association president that she had decided not to rent the unit to Landers and requested that the association president not reveal her prior statement of preference.

A few days later, Gambero told Landers not to submit the rental application because she did not want to deal with the Section 8 requirements, adding "plus, they described you to me." Shortly thereafter, Gambero rented the unit to a white woman for \$75 less per month than the amount Landers had agreed to pay.

In August 2004, Landers filed a housing discrimination complaint with the California Department of Fair Employment and Housing (CDFEH), an agency that participates in the FHAP. In September 2005, CDFEH filed suit in San Mateo County Superior Court, alleging that Gambero violated the California Fair Employment and Housing Act and the Unruh Civil Rights Act by refusing to rent to Landers on the basis of race, as well as making a discriminatory statement on the basis of race.

In December 2006, the parties entered into a judicial consent order. As part of the settlement, Gambero agreed to pay compensatory damages to Landers in the amount of \$75,000, attend fair housing training, post a nondiscrimination policy, and refrain for one year from any involvement in the selection process or direct management of her residential rental properties.

Activities prohibited by the Fair Housing Act and substantially equivalent state or local fair housing laws include discriminatory financing and insurance coverage. In FY 2007, complaints alleging discrimination in the provision of financing to purchase, construct, improve, repair, or maintain a dwelling made up 4 percent of complaints filed with FHAP agencies, while complaints alleging discriminatory refusal to provide insurance made up less than 0.5 percent of complaints. The Fair Housing Act also prohibits lenders and insurers from refusing to do business in certain neighborhoods because of their racial composition or other prohibited basis. This practice, known as redlining, was alleged in less than 0.5 percent of complaints filed with FHAP agencies in FY 2007.

Under the Fair Housing Act and substantially equivalent state or local fair housing laws, it is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement indicating a discriminatory limitation or discriminatory preference related to the sale or rental of housing. In FY 2007, 6 percent of FHAP complaints alleged discriminatory statements or advertisements.

The Fair Housing Act and substantially equivalent state or local fair housing laws also prohibit actions intended to coerce, intimidate, threaten, interfere with, or retaliate against a person for exercising his or her fair housing rights or aiding another person in doing so. For example, an employee of a real estate firm who is fired for reporting the discriminatory practices of that firm may file a complaint under the Fair Housing Act or substantially equivalent state or local fair housing law. In FY 2007, complaints alleging interference or retaliation made up 13 percent of the complaints filed with FHAP agencies.

**Closures**

Chart 4.2 shows the total number of complaints closed by FHAP agencies in each of the past 4 fiscal years.

**Chart 4.2 FHAP Closed Complaints (FY 2004-FY 2007)**

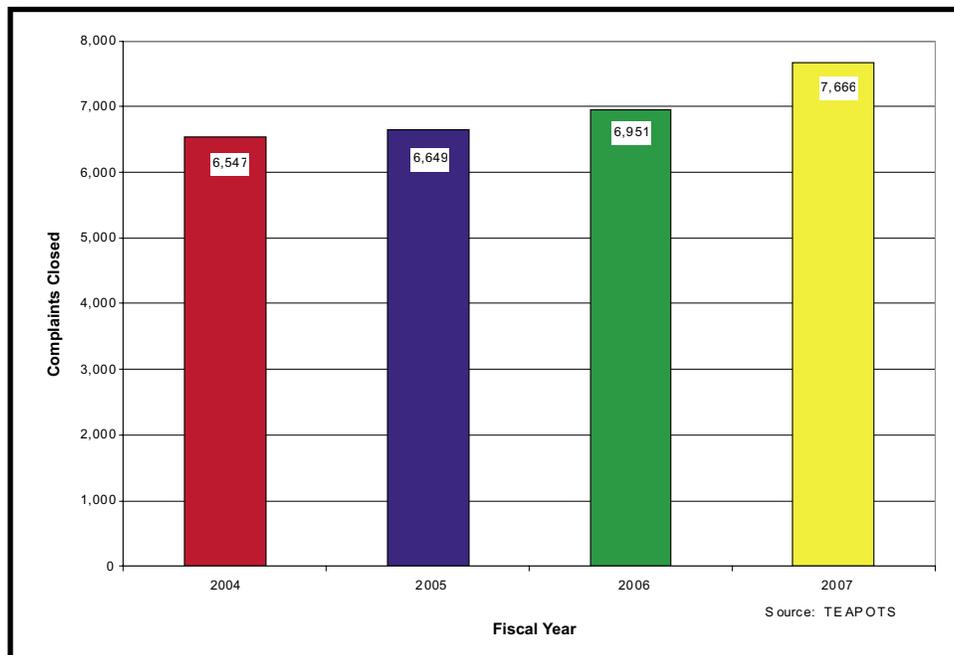


Chart 4.2 shows that in FY 2007, FHAP agencies closed 7,666 complaints. This was an increase of 715 complaints or about 10 percent more than in FY 2006. In the past 4 fiscal years, FHAP agencies have closed an average of 6,953 complaints annually.

## Types of Closures

The following are ways that FHAP agencies close complaints.

**Administrative Closure**—An administrative closure occurs when the complainant withdraws the complaint, fails to cooperate, or can no longer be located. FHAP agencies also administratively close cases for lack of jurisdiction.

**Conciliation/Settlement**—FHAP agencies are required to attempt to resolve complaints through conciliation. A conciliation agreement is an agreement between the complainant and the respondent and which must be approved by the FHAP agency. A conciliation agreement seeks to protect the rights of the complainant and the respondent and satisfy the public interest. A complainant and a respondent may also voluntarily resolve a complaint through a private settlement in which the FHAP agency is not a party. A FHAP agency does not issue a determination in a complaint if it is conciliated or settled prior to the completion of the investigation.

**No Reasonable Cause Determination**—Unless a conciliation agreement is reached during the course of the investigation, the FHAP agency conducts a full investigation and issues a no reasonable cause determination if it finds no reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.

**Reasonable Cause Determination**—Unless a conciliation agreement is reached during the course of the investigation, the FHAP agency conducts a full investigation and issues a determination of reasonable cause if it determines that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.

### Virginia Fair Housing Office Obtains \$10,000 Settlement from Landlord who Allegedly Discriminated Against a Woman Because her Husband is African American

#### Virginia Fair Housing Board v. Roy Lineberry

Gloria Frye was looking for a house to rent for herself, her husband, and her four children. In October 2006, Frye learned through a co-worker, Patricia Cantrell, that she was moving out of the home that she rented and that it may be available. The home was owned by Roy Lineberry and located in Galax, VA.

In November 2006, Cantrell brought Frye to meet with Lineberry. During this meeting, Lineberry agreed to rent the home to Frye, but told her that he had planned to do some repairs on the home so that it would not be available until January 1, 2007.

In December 2006, Frye met Lineberry at his business office and signed a lease for the home. The lease stated that the move-in date was January 1, 2007, and the rent was to be \$275 per month.

A few days later, Lineberry visited Cantrell at the home she was renting from him and allegedly told her that he heard that Frye was married to an African American. Lineberry allegedly appeared very upset and asked Cantrell to bring Frye to his office as soon as possible to discuss this issue.

A few days after that, Frye and Cantrell met with Lineberry at his office. At this meeting, Lineberry informed Frye that the house might not be ready by January 1, 2007, and that he may need to raise the rent by \$25-\$50 to make his money back on the repairs he had done. Lineberry said that the longest he could guarantee that Frye could rent the house was for

3 months because he was thinking of selling the house in the next few months. Lineberry concluded by commenting that it may be best if Frye found another place to live.

In January 2007, Frye filed a housing discrimination complaint with the Virginia Fair Housing Office, an agency that participates in the FHAP. The complaint alleged that Lineberry changed the terms of her lease when he found out that her husband and children are African American. The Virginia Fair Housing Office conducted an investigation and, in

September 2007, issued a charge of discrimination. Later that month, the parties agreed to settle the complaint. Under the terms of the settlement, Lineberry admitted no wrongdoing, but agreed to pay \$10,000 to Frye, attend fair housing training, and pay for an advertisement in a local newspaper. The settlement was approved by the Fair Housing Board in October 2007.

**Chart 4.3 FHAP Complaint Outcomes, by Type (FY 2004-FY 2007)**

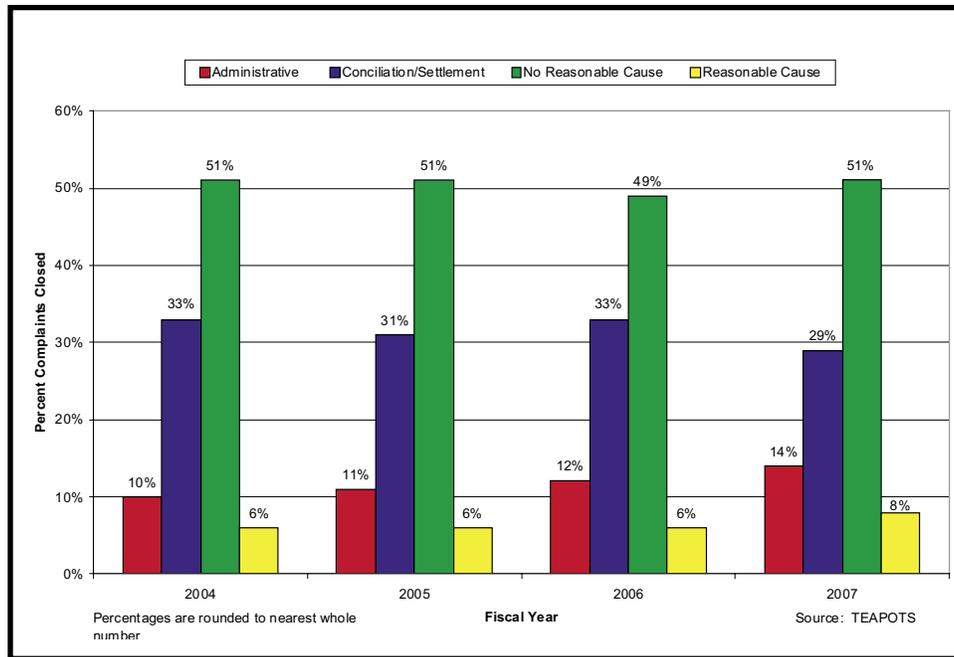


Chart 4.3 shows that the distribution of outcomes in FHAP complaints has been relatively stable between FY 2004 and FY 2007. In FY 2007, FHAP agencies made determinations on the merits in 59 percent of the cases they closed; fifty-one percent were closed with a determination of no reasonable cause, and 8 percent were closed with a determination of reasonable cause.

As in previous years, the second most common way that FHAP agencies closed complaints was with a conciliation or settlement agreement. In FY 2007, FHAP agencies conciliated or settled 29 percent of the complaints they closed. At the same time, FHAP agencies administratively closed 14 percent of complaints.

**Timeliness of Investigations**

Each housing discrimination complaint filed with a FHAP agency must be investigated and completed within 100 days of the receipt of the complaint, unless it is impracticable to do so. In FY 2007, 4,081 FHAP investigations passed the 100-day mark. This was 141 more than in FY 2006.

These investigations exceeded the 100-day mark for a variety of reasons, including when they involved a great number of witnesses or respondents, large volumes of evidence, or particularly complex evidence.

## National Fair Housing Training Academy

In FY 2004, HUD opened the National Fair Housing Training Academy to provide training and certification for the approximately 500 full-time investigators employed by the 107 state and local governments that participate in the FHAP. The academy is located at the USDA Graduate School in Washington, DC, and its goal is to ensure that FHAP investigators have the necessary skills to conduct thorough and timely investigations.

In FY 2004 and FY 2005, the academy offered the first 2 weeks of the program, which cover fair housing laws, investigations, discovery techniques, and professional ethics. Beginning in FY 2006, the academy offered the classes for the third, fourth, and fifth weeks of the program. The third week covers theories of proof, data analysis, negotiation skills, and interviewing techniques; the fourth week covers testing cases, briefing techniques, and investigative skills; and the fifth week covers documenting cases in the HUD database and litigating fair housing cases. After completing the 5-week program, the investigators must pass a comprehensive examination in order to receive certification from the academy. Descriptions of the classes are available at the training academy website, <http://www.hud.gov/offices/fheo/nfhta.cfm>.

In FY 2007, 115 FHAP investigators completed the fifth week of the program and received certification from the academy. In total, 174 FHAP investigators have been certified since the academy opened.

### North Dakota Department of Labor Obtains \$38,000 Settlement from Landlord who Allegedly Sexually Harassed Female Tenants

North Dakota Department of Labor v. Al Vetter

In September 2002, Fair Housing of the Dakotas (FHD), a private fair housing group, received a complaint from a female tenant of an apartment complex located in West Fargo, ND. The tenant alleged that her landlord, Al Vetter, sexually harassed her while in her apartment to perform a minor repair and that he evicted her after she filed criminal charges against him. Shortly after receiving the complaint, FHD interviewed six other tenants of the property and found more allegations of sexual harassment.

FHD filed a complaint with the North Dakota Department of Labor (NDDOL), an agency that participates in the FHAP. NDDOL investigated the complaint and found that reasonable cause existed for the commencement of proceedings against Vetter for housing discrimination. NDDOL referred the case to the North Dakota Office of the Attorney General, and a civil suit was commenced in Cass County District Court. Thereafter, FHD intervened in the action.

In December 2006, the parties settled the complaint. As part of the settlement, Vetter agreed to pay \$24,081.46 to FHD for attorney fees and costs, \$5,516.26 to FHD for actual damages, and \$9,000 to NDDOL for attorney fees and costs. In addition, Vetter agreed to undergo fair housing training, develop a fair housing policy and distribute it and fair housing booklets to current tenants, and prominently display the fair housing policy and fair housing posters.



## CHAPTER 5 THE FAIR HOUSING INITIATIVES PROGRAM

### Fair Housing Initiatives Program (FHIP)

HUD is making great strides in ensuring that every resident of this nation has the opportunity to obtain the housing of his or her choice, free from discrimination. HUD, however, cannot do it alone. To help promote equal housing opportunity, HUD provides funds through its Fair Housing Initiatives Program (FHIP) to public, private, and nonprofit groups that conduct fair housing enforcement and education activities.

FHIP was created under Section 561 of the Housing and Community Development Act of 1987 to increase compliance with the Fair Housing Act and substantially equivalent state and local fair housing laws, educate the public and housing industry about their rights and responsibilities under the Fair Housing Act, and establish a network of experienced fair housing enforcement organizations throughout the country.

FHIP consists of: (1) the Education and Outreach Initiative (EOI), (2) the Private Enforcement Initiative (PEI), and (3) the Fair Housing Organizations Initiative (FHOI). In FY 2007, HUD awarded FHIP funds through EOI and PEI. HUD makes most FHIP funds available competitively, through notices of funding availability (NOFAs) or requests for proposals (RFPs).

### Education and Outreach Initiative (EOI)

The Education and Outreach Initiative (EOI) provides funding to develop, implement, carry out, or coordinate education and outreach programs that inform the public about their rights and responsibilities under federal, state, and local fair housing laws. In addition, HUD requires all groups receiving EOI funds to have a process for referring possible fair housing violations to HUD.

A primary way that EOI recipients educate the public about fair housing is through workshops, seminars, and other public events. In FY 2007, FHIP grantees conducted 1,486 public events that reached 247,201 people.<sup>12</sup>

In FY 2007, HUD divided EOI into three components—General, Clinical Law, and National Media—and solicited applications under each component. HUD awarded 33 EOI grants, totaling \$4.1 million.

### EOI General Component (EOI-GC)

EOI-GC provides funding for organizations that conduct general fair housing education and outreach activities. In FY 2007, HUD made 32 awards under EOI-GC, totaling \$3.1 million.

### EOI Clinical Law Component (EOI-CLC)

The purpose of EOI-CLC is to develop a fair housing clinical law school program at a minority-serving institution. No applications were funded under this component in FY 2007.

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<sup>12</sup> Due to the FHIP funding cycle, the public events conducted in FY 2007 were funded with FY 2005 and FY 2006 grants. FY 2007 grants will fund public events in FY 2008 and FY 2009.

### **EOI National Media Component (EOI-NMC)**

EOI-NMC provides funding to a national media group to develop and implement a national media campaign designed to inform the public about lending discrimination. In FY 2007, HUD made one award under this component for \$1 million.

### **Private Enforcement Initiative (PEI)**

The PEI provides funding for the investigation of housing discrimination complaints and the administrative or judicial enforcement of federal, state, or local fair housing laws.

PEI is restricted to fair housing enforcement organizations that have a total of one or more years of experience in the intake and investigation of complaints, testing for housing discrimination, and enforcement of meritorious claims in the 2 years prior to applying for FHIP funds. Also, qualified fair housing enforcement organizations may apply for funding if they have a total of 2 or more years of experience in the intake and investigation of complaints, testing for housing discrimination, and enforcement of meritorious claims in the 3 years prior to filing a FHIP application.

In FY 2007, HUD solicited PEI applications under two components—General and Performance-Based Funding. HUD awarded 55 PEI grants, totaling \$14 million.

### **PEI General Component (PEI-GC)**

PEI-GC provides 12- to 18-month grants that support the investigation of housing discrimination complaints and the enforcement of federal, state, and local fair housing laws. PEI-GC recipients conduct intake, investigation, mediation, and litigation of housing discrimination complaints and perform testing of the housing, lending, and insurance markets. In FY 2007, HUD made 16 awards under PEI-GC, totaling \$3,752,162.94.

### **PEI Performance-Based Funding Component (PEI-PBC)**

The purpose of PEI-PBC is to provide exceptional fair housing enforcement organizations with the necessary funding to conduct systemic investigations that span multiple fiscal years. PEI-PBC rewards organizations that have performed well in the use of previously awarded FHIP funds. PEI-PBC provides 36-month grants that support the investigation of housing discrimination complaints and the enforcement of federal, state, and local fair housing laws. PEI-PBC recipients conduct intake, investigation, mediation, and litigation of housing discrimination complaints and perform testing of the housing, lending, and insurance markets.

In FY 2007, in order to be eligible for funding under PEI-PBC, an organization must have received excellent performance reviews for FHIP PEI awards in any 2 of the fiscal years from FY 2003 through FY 2005 and a minimum score of 95 on the most recent of these two performance reviews. In order to be considered for funding, eligible PEI-PBC applicants must have received a minimum score of 95 on their FY 2007 FHIP application.

In FY 2007, HUD made 39 awards under PEI-PBC, totaling \$10,247,837.06.

**FHIP Grant Awards**

**Table 5.1 FHIP NOFA Awards (FY 2004–FY 2007)**

Initiative	FY 2004	FY 2005	FY 2006	FY 2007
EOI	47	42	48	33
PEI	57	61	54	55
FHOI	1	1	0	0
<b>TOTAL</b>	<b>105</b>	<b>104</b>	<b>102</b>	<b>88</b>

Table 5.1 shows that HUD awarded 88 FHIP grants in FY 2007. Fifty-five groups received funds to conduct enforcement activities, while 33 organizations received grants to conduct education and outreach activities. Some groups received both PEI and EOI grants.

**Table 5.2 Funds Distributed through the FHIP NOFA (FY 2004–FY 2007)**

Initiative	FY 2004	FY 2005	FY 2006	FY 2007
EOI	\$3,780,550	\$3,940,000	\$4,200,000	\$4,100,000
PEI	\$11,850,000	\$13,600,000	\$13,900,000	\$14,000,000
FHOI	\$2,099,975	\$500,000	\$0	\$0
<b>TOTAL</b>	<b>\$17,730,525</b>	<b>\$18,040,000</b>	<b>\$18,100,000</b>	<b>\$18,100,000</b>

Table 5.2 shows that in FY 2007, HUD distributed just over \$18 million through competitive grants announced in the FHIP Notice of Funding Availability. During this period, HUD awarded \$14 million for PEI and just over \$4 million for EOI. In FY 2007, FHIP was funded at the FY 2006 level because HUD operated under a continuing resolution the entire fiscal year.

Table 5.3 shows the 88 FHIP awards to recipients in 38 states in the District of Columbia.

**Table 5.3 Fair Housing Initiatives Program (FHIP) Awards, by State (FY 2007)**

<b>Alabama</b>			
Birmingham	Fair Housing Center of Northern Alabama	\$275,000	PEI-PBC
The Fair Housing Center of Northern Alabama (FHCNA) will conduct fair housing enforcement activities in 23 counties, with a special emphasis on Jefferson, Tuscaloosa, Shelby, Madison, Lauderdale, Etowah, and Calhoun counties. In particular, FHCNA will investigate complaints of housing discrimination, test housing providers and mortgage lenders for unlawful discrimination, and inspect multifamily housing for compliance with the Fair Housing Act's accessibility requirements.			
Mobile	Mobile Fair Housing Center, Inc.	\$70,326.94	PEI-GC
The Mobile Fair Housing Center, Inc., (MFHC) will carry out fair housing enforcement activities in the Mobile area, including Baldwin, Choctaw, Clarke, Conecuh, Escambia, Monroe, and Washington counties. MFHC will provide complaint intake, investigation, mediation, and referral services for victims of discrimination. In addition, MFHC will test housing providers and mortgage lenders for unlawful discrimination and inspect multifamily housing for compliance with the Fair Housing Act's accessibility requirements. MFHC will share the results of its multifamily housing inspections with city and county officials and building code personnel and provide them with accessibility training and educational materials.			
Mobile	Fair Housing Agency of Alabama	\$99,905	EOI-GC
The Fair Housing Agency of Alabama (FHAA) will conduct fair housing education and outreach activities in southern Alabama. FHAA will educate housing providers, mortgage lenders, and the public about their fair housing rights and responsibilities. FHAA will direct some of its education and outreach activities to persons with disabilities.			
Montgomery	Central Alabama Fair Housing Center	\$274,000	PEI-PBC
The Central Alabama Fair Housing Center (CAFHC) will work to prevent and eliminate housing discrimination in a 29-county region of central Alabama. CAFHC will conduct intake and investigation of housing discrimination complaints, test housing providers and mortgage lenders for discrimination, inspect newly constructed multifamily housing for compliance with federal accessibility requirements, and monitor the enforcement of local occupancy codes for signs of racial and ethnic targeting.			
<b>Arizona</b>			
Tucson	Southwest Fair Housing Council	\$270,144	PEI-PBC
The Southwest Fair Housing Council (SWFHC) will receive complaints of housing discrimination, conduct preliminary investigations, attempt to resolve complaints through mediation, and refer complaints to government agencies or private attorneys. Additionally, SWFHC will partner with faith-based and community-based organizations to provide fair housing education and outreach.			
Tucson	Southwest Fair Housing Council	\$98,745	EOI-GC
The Southwest Fair Housing Council (SWFHC) will conduct an array of activities to inform residents of the Phoenix metropolitan area about their fair housing rights. These activities will include conducting fair housing workshops, distributing fair housing materials in both English and Spanish, and participating in community and media events. To help carry out its activities, SWFHC will collaborate with the City of Phoenix Equal Opportunity Department and grassroots, faith-based, and community-based organizations.			
<b>Arkansas</b>			
Little Rock	Arkansas Community Housing Corporation	\$99,948	EOI-GC
The Arkansas Community Housing Corporation (ACHC) will conduct fair housing education and outreach throughout central and southeastern Arkansas. Among other activities, ACHC will inform racial and ethnic minorities of their fair housing rights and train lenders on their fair housing and fair lending responsibilities. ACHC will refer housing discrimination complaints to HUD.			
<b>California</b>			
Napa	Greater Napa Fair Housing Center	\$99,990	EOI-GC
The Greater Napa Fair Housing Center (GNFHC) will conduct an array of fair housing education and outreach activities in Napa County. Specifically, GNFHC will partner with grassroots, faith-based, and community-based organizations to raise awareness of fair housing and predatory lending through workshops and counseling. GNFHC will make its services available to all, but will reach out to senior citizens, persons with disabilities, and persons with limited English proficiency.			

Oakland	Bay Area Legal Aid	\$275,000	PEI-PBC
Bay Area Legal Aid (BayLegal) will conduct fair housing enforcement activities, including the intake, investigation, mediation, litigation, and referral of housing discrimination complaints. BayLegal will also recruit and train testers for undercover tests for discrimination. In addition, BayLegal will conduct various activities to educate housing providers and the public on fair housing.			
Palo Alto	Project Sentinel	\$270,000	PEI-PBC
Project Sentinel is a full-service agency that conducts housing discrimination investigations and provides fair housing counseling in the bay area. Project Sentinel will provide complaint intake, investigation, mediation, and referral services to individuals who believe they have experienced housing discrimination. Project Sentinel will also conduct systemic investigations, including an investigation of predatory lending in Santa Clara County. In addition, Project Sentinel will work with 28 community organizations to provide fair housing education for housing professionals, social service providers, immigrant groups, and the public.			
San Francisco	California Rural Legal Assistance	\$275,000	PEI-PBC
California Rural Legal Assistance (CRLA) is a private, nonprofit corporation that provides legal services in rural California. CRLA will receive and investigate housing discrimination complaints, refer meritorious claims to HUD or the California Department of Fair Employment and Housing, and conduct complaint-based testing. CRLA will make its services available to all, but will reach out to migrant and seasonal farm workers, recent immigrants, and indigenous populations, particularly those with limited English proficiency.			
San Francisco	Pacific News Service	\$1,000,000	EOI-NMC
New America Media, a division of Pacific News Service, will work with advertising, research, and fair housing professionals to produce a national media campaign titled "Many Calls, One Answer," to spotlight the impact of predatory and other unfair lending practices on homeownership for minority populations. The media campaign will consist of television, radio, and print advertisements that will be shown in 10 metropolitan areas where African Americans and Hispanics have high rates of subprime lending and home foreclosures.			
San Rafael	Fair Housing of Marin	\$275,000	PEI-PBC
Fair Housing of Marin (FHOM) will conduct fair housing enforcement activities in the counties of Marin, Sonoma, Solano, and Contra Costa. In particular, FHOM will provide investigation, mediation, and referral services to victims of housing discrimination, conduct in-person and telephone tests of housing providers for racial and ethnic discrimination, and monitor local housing advertisements for discriminatory language. Additionally, FHOM will raise public awareness of fair housing through workshops, publications, and newspaper advertisements.			
Santa Ana	Fair Housing Council of Orange County, Inc.	\$162,700	PEI-GC
The Fair Housing Council of Orange County, Inc., (FHCOC) is a broad-based, full-service fair housing organization. FHCOC will provide comprehensive enforcement services, including the intake, investigation, mediation, and referral of housing discrimination complaints. FHCOC will conduct at least 40 paired on-site tests and 12 paired telephone tests for housing discrimination, and 15 inspections of multifamily housing developments for compliance with the Fair Housing Act's accessibility requirements. Additionally, FHCOC will develop and implement several initiatives to address steering in real estate services, especially against immigrants with limited English proficiency.			
Upland	Inland Fair Housing and Mediation Board	\$275,000	PEI-PBC
Inland Fair Housing and Mediation Board (IFHMB) will conduct fair housing enforcement activities in the city of Barstow and surrounding rural areas. IFHMB will conduct complaint intake, investigation, mediation, and referral of housing discrimination complaints, and collaborate with the Fair Housing Council of San Diego to conduct 100 paired tests for housing discrimination.			
<b>Colorado</b>			
Denver	American Institute for Social Justice	\$99,887	EOI-GC
The American Institute for Social Justice (AISJ) will conduct education and outreach in the Denver metropolitan area. Specifically, AISJ will work with grassroots, faith-based, and community-based organizations to provide fair housing education for minority and immigrant communities, particularly those with limited English proficiency.			
<b>Delaware</b>			
Wilmington	Delaware Community Reinvestment Action Council, Inc.	\$80,000	EOI-GC
The Delaware Community Reinvestment Action Council, Inc., (DCRAC) will conduct fair housing education and outreach activities in English and Spanish for residents of Dover, Georgetown, and Wilmington. Specifically, DCRAC will disseminate fair housing information through television, radio, the Internet, and newsletters and will partner with the National Community Reinvestment Coalition to conduct fair lending activities. Additionally, DCRAC will teach a series of seminars titled "Money Matters" to more than 1,200 residents of the state. These seminars will focus on effective money management and the role money management plays in preparing for homeownership.			

<b>District of Columbia</b>			
Washington	National Community Reinvestment Coalition	\$199,848	PEI-GC
<p>The National Community Reinvestment Coalition (NCRC) will conduct fair lending enforcement activities in several major metropolitan areas, including Atlanta, Baltimore, El Paso, Los Angeles, New York City, Philadelphia, Raleigh, St. Louis, and Washington, DC. NCRC selected these cities because they have high levels of subprime lending to African Americans and Latinos and are located in Federal Empowerment Zones or Enterprise Communities. NCRC expects that it will assist approximately 25 victims of lending discrimination and conduct 100 tests of prime and subprime lenders.</p>			
Washington	National Community Reinvestment Coalition	\$100,000	EOI-GC
<p>The National Community Reinvestment Coalition (NCRC) will create a National Fair Lending Training Initiative. As part of the initiative, NCRC will conduct education and outreach activities throughout the Washington, DC, metropolitan area on fair lending rights and how to report lending discrimination. These activities will include a series of lending seminars for consumers and consumer advocates.</p>			
<b>Florida</b>			
Cocoa	Fair Housing Continuum, Inc.	\$275,000	PEI-PBC
<p>Fair Housing Continuum, Inc., (FHC) will provide fair housing enforcement services, including the intake, investigation, mediation, and referral of housing discrimination complaints. Additionally, FHC will recruit and train testers, conduct paired tests of housing providers, and inspect multifamily housing for compliance with the Fair Housing Act's accessibility requirements.</p>			
Jacksonville	Jacksonville Area Legal Aid, Inc.	\$274,972.67	PEI-PBC
<p>Jacksonville Area Legal Aid, Inc., (JALA) will provide fair housing enforcement and advocacy services in northeast Florida. As part of its enforcement activities, JALA will provide complaint intake, investigation, mediation, and litigation services, recruit and train testers, and conduct paired and single tests of housing providers. Additionally, JALA will raise public awareness of fair housing, particularly among racial and ethnic minorities, persons with limited English proficiency, and persons with disabilities.</p>			
Miami Garden	Housing Opportunities Project for Excellence, Inc.	\$275,000	PEI-GC
<p>Housing Opportunities Project for Excellence, Inc., (HOPE) will conduct a range of fair housing enforcement activities throughout Miami-Dade and Broward counties. Specifically, HOPE will investigate at least 150 housing discrimination complaints and perform 130 fair housing tests. Additionally, HOPE will raise public awareness of fair housing through a variety of activities during Fair Housing Month. HOPE will conduct many of its activities in Spanish and Creole to reach persons with limited English proficiency.</p>			
Tallahassee	Legal Services of North Florida, Inc.	\$100,000	EOI-GC
<p>Legal Services of North Florida, Inc., (LSNF) will conduct a variety of fair housing education and outreach activities in Bay, Escambia, Holmes, Okaloosa, Santa Rosa, Walton, and Washington counties. Specifically, LSNF will provide seminars for the public and housing providers on their fair housing rights and responsibilities, and work with churches, advocacy groups, and social service agencies to reach specific racial and ethnic groups.</p>			
Tampa	Bay Area Legal Services, Inc.	\$234,973.33	PEI-PBC
<p>Bay Area Legal Services, Inc., (BALS) will conduct fair housing enforcement activities in Hillsborough County and the city of Tampa. Specifically, BALS will investigate approximately 40 housing discrimination complaints, recruit and train 15 testers, and conduct 84 tests. Additionally, BALS will distribute fair housing educational materials to at least 35 groups.</p>			
<b>Illinois</b>			
Chicago	Access Living of Metropolitan Chicago	\$275,000	PEI-PBC
<p>Access Living of Metropolitan Chicago will conduct a range of enforcement activities to address housing discrimination against persons with disabilities. Specifically, Access Living will investigate complaints and file lawsuits and conduct paired-tests of housing providers. Additionally, Access Living will help persons with disabilities pursue homeownership and rental opportunities.</p>			
Chicago	Chicago Lawyers' Committee for Civil Rights Under Law	\$274,994	PEI-PBC
<p>The Chicago Lawyers' Committee for Civil Rights Under Law will provide fair housing enforcement services in the Chicago metropolitan area, focusing on three communities in Chicago's Empowerment Zone: the near West Side, Pilsen/Little Village, and the near South Side. Specifically, the Lawyers' Committee will receive, investigate, mediate, and litigate housing discrimination complaints, perform 120 complaint-based and systemic tests for housing or lending discrimination, and recruit testers from three minority-serving institutions.</p>			

Chicago	The John Marshall Law School	\$274,958	PEI-PBC
The John Marshall Law School's Fair Housing Legal Clinic will provide legal representation to persons with meritorious complaints of discrimination involving the sale, rental, financing, or insuring of housing. The Fair Housing Legal Clinic will also conduct tests of housing providers that are subjects of housing discrimination complaints.			
Homewood	South Suburban Housing Center	\$262,500	PEI-PBC
The South Suburban Housing Center (SSHC) will conduct fair housing enforcement activities in southern Cook, Will, and Kankakee counties, plus central Illinois and northwest Indiana. SSHC will provide a full range of fair housing services, including the intake, investigation, mediation, and referral of housing discrimination complaints. SSHC will also recruit and train testers to conduct tests of housing providers. Additionally, SSHC will raise public awareness of fair housing by conducting presentations on housing discrimination and predatory lending.			
Oak Park	Oak Park Regional Housing Center	\$99,780	EOI-GC
Oak Park Regional Housing Center (OPRHC) will conduct fair housing education and outreach activities in Oak Park and DuPage County. These activities will include workshops, seminars, and conferences for real estate professionals and government officials to ensure that they are aware of their obligations under federal, state, and local fair housing laws.			
Wheaton	HOPE Fair Housing Center	\$274,702.33	PEI-PBC
HOPE Fair Housing Center will provide fair housing enforcement services in Cook, DuPage, Kane, and McHenry counties; the metropolitan areas of Aurora, Bloomington, Elgin, LaSalle, Moline, Ottawa, Peoria, Peru, Rockford, and Rock Island; and 26 rural counties in northern Illinois. As part of its enforcement efforts, HOPE will conduct complaint intake and investigations, perform 90 enforcement tests of rental housing, and conduct systemic investigations for unlawful discrimination in retirement homes and assisted living facilities.			
Winnetka	Interfaith Housing Center of the Northern Suburbs	\$275,000	PEI-GC
Interfaith Housing Center of the Northern Suburbs is a qualified fair housing enforcement organization that will conduct intake, investigation, mediation, and referral of housing discrimination complaints. Interfaith will also perform undercover testing of the residential sales and rental markets for evidence of discriminatory treatment.			
<b>Iowa</b>			
Des Moines	Iowa Civil Rights Commission	\$95,569	EOI-GC
The Iowa Civil Rights Commission (ICRC) will conduct several activities designed to educate housing providers and the public about their fair housing rights and responsibilities. Specifically, ICRC will work with grassroots, faith-based, and community-based organizations throughout Iowa to conduct fair housing training and launch a fair housing media campaign. Additionally, ICRC will monitor local housing advertisements for discriminatory language and reach out to housing providers and the media to inform them of fair housing advertising requirements.			
<b>Kentucky</b>			
Louisville	Kentucky Commission on Human Rights	\$99,800	EOI-GC
The Kentucky Commission on Human Rights (KCHR) will conduct fair housing education and outreach activities in Kentucky. As part of its efforts, KCHR will conduct a series of fair housing workshops for housing providers, mortgage lenders, and persons with disabilities. Additionally, KCHR will translate fair housing materials into Vietnamese, French, Russian, and Arabic, and distribute them at international/immigrant group festivals, housing fairs, and health fairs.			
Lexington	Lexington Fair Housing Council	\$205,258	PEI-PBC
The Lexington Fair Housing Council (LFHC) will conduct fair housing activities in underserved and rural areas of Kentucky. Specifically, LFHC will investigate, mediate, and litigate housing discrimination complaints and recruit and train testers to perform paired tests of the sales and rental markets. Additionally, LFHC will conduct a study of housing discrimination in Kentucky.			
<b>Louisiana</b>			
New Orleans	Greater New Orleans Fair Housing Action Center	\$275,000	PEI-GC
The Greater New Orleans Fair Housing Action Center (FHAC) will conduct an array of fair housing enforcement activities, including the investigation of an estimated 125 housing discrimination complaints. FHAC will also recruit and train 20 new testers for complaint-based and systemic tests of the sales, rental, and mortgage lending markets. FHAC estimates that its systemic tests will result in the referral of at least 25 enforcement proposals to HUD. In addition, FHAC will make 25 fair housing presentations to first-time homebuyers and community groups.			

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New Orleans	Advocacy Center	\$100,000	EOI-GC
The Advocacy Center will conduct fair housing education and outreach in the parishes hardest hit by Hurricanes Katrina and Rita, including Calcasieu, Cameron, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. May, St. Tammany, Terrebonne, and Vermilion. These activities will educate housing providers and persons with disabilities on fair housing.			
<b>Massachusetts</b>			
Boston	Fair Housing Center of Greater Boston	\$274,166.67	PEI-PBC
The Fair Housing Center of Greater Boston (FHCGB) will conduct fair housing enforcement activities in the Boston metropolitan area, including the investigation, mediation, and referral of housing discrimination complaints. Additionally, FHCGB will recruit and train testers to perform individual and paired tests for sales, rental, mortgage lending, and insurance discrimination.			
Holyoke	Housing Discrimination Project, Inc.	\$275,000	PEI-PBC
The Housing Discrimination Project, Inc., (HDP) will conduct fair housing enforcement activities in Berkshire, Franklin, Hampden, Hampshire, and Worcester counties. HDP will investigate housing discrimination complaints, conduct paired tests and voice tests for housing discrimination, and monitor housing advertisements for discriminatory language. Additionally, HDP will conduct fair housing training sessions, first-time homebuyer education classes, and predatory lending awareness workshops. These activities will be available for all, including persons with disabilities and persons with limited English proficiency.			
Springfield	HAP, Inc.	\$81,365	EOI-GC
HAP, Inc., will work in cooperation with the Housing Discrimination Project, Inc., to conduct fair housing education and outreach throughout Hampden and Hampshire counties. Specifically, HAP will provide training for housing providers on their fair housing responsibilities, particularly regarding persons with disabilities, and counseling for individuals who believe they have experienced housing discrimination. HAP will refer housing discrimination complaints to HUD.			
Worcester	Legal Assistance Corporation of Central Massachusetts	\$230,000	PEI-GC
The Legal Assistance Corporation of Central Massachusetts (LACCM) will work in partnership with the City of Worcester and the Worcester Fair Housing Project to perform fair housing enforcement activities throughout central Massachusetts. In particular, LACCM will conduct complaint intake and investigation, recruit and train testers, and perform 50 complaint-based and audit tests. LACCM will work with grassroots, faith-based, and community-based organizations as well as minority-serving institutions to educate housing consumers and providers about their fair housing rights and responsibilities.			
<b>Michigan</b>			
Detroit	Fair Housing Center of Metropolitan Detroit	\$133,280	PEI-GC
The Fair Housing Center of Metropolitan Detroit (FHCMD) will provide fair housing enforcement services, including complaint intake, investigation, mediation, and referral. FHCMD estimates that it will investigate 60 housing discrimination complaints and conduct several systemic investigations. Additionally, FHCMD will recruit and train testers to perform 90 tests for housing discrimination.			
Flint	Legal Services of Eastern Michigan	\$207,449	PEI-GC
Legal Services of Eastern Michigan (LSEM) will conduct an array of fair housing enforcement activities in Arenac, Clare, Gladwin, Gratiot, Huron, Isabella, Lapeer, Sanilac, St. Clair, and Tuscola counties. These activities will include the intake, investigation, mediation, and referral of housing discrimination complaints, undercover tests of housing providers for discrimination, and systemic discrimination projects. Additionally, LSEM will conduct a variety of education and outreach activities and perform fair housing research in Bay, Genesee, Midland, and Saginaw counties.			
Grand Rapids	Fair Housing Center of West Michigan	\$273,786	PEI-GC
The Fair Housing Center of West Michigan (FHCWM) will conduct fair housing enforcement activities in 11 west Michigan counties: Allegan, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa. These activities will include the intake, investigation, mediation, and referral of housing discrimination complaints and tests of housing providers for discrimination against racial and ethnic minorities and persons with disabilities. In addition, FHCWM will promote homeownership within African-American and Hispanic communities and partner with faith-based and community-based organizations to reach out to the homeless population.			
Kalamazoo	Fair Housing Center of Southwest Michigan	\$97,229	EOI-GC
The Fair Housing Center of Southwest Michigan (FHCSM) will conduct education and outreach activities in nine southwest Michigan counties: Allegan, Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren. These activities will include 150 fair housing presentations to housing providers, social service workers, housing providers, community groups, and others, and 100 fair housing advertisements in local and regional newspapers. Additionally, FHCSM will develop and distribute four fair housing newsletters. FHCSM estimates that it will provide fair housing referral services for a minimum of 300 people.			

<b>Minnesota</b>			
Minneapolis	Legal Aid Society of Minneapolis	\$275,000	PEI-PBC
The Legal Aid Society of Minneapolis will partner with Southern Minnesota Regional Legal Services to conduct fair housing enforcement activities in the Minneapolis/St. Paul area and 53 central and southern counties. The Legal Aid Society will provide housing discrimination complaint intake, investigation, mediation, litigation, and referral services for victims of discrimination.			
St. Paul	ACORN Housing Corporation	\$100,000	EOI-GC
ACORN Housing Corporation will conduct fair housing education and outreach in the Minneapolis/St. Paul area. Specifically, ACORN will develop and distribute fair housing and predatory lending educational materials and translate them into Spanish, Hmong, and Somali, which are the three most widely spoken languages in Minneapolis/St. Paul immigrant communities.			
<b>Mississippi</b>			
Hattiesburg	Mississippi Center for Legal Services Corporation	\$275,000	PEI-GC
The Mississippi Center for Legal Services Corporation (MCLSC) will provide fair housing enforcement services throughout the state, including the intake, investigation, mediation, and referral of housing discrimination complaints. MCLSC will also perform 40 paired tests and 30 single tests for discrimination in the sale, rental, financing, or insuring of housing. Additionally, MCLSC will develop fair housing materials in English, Spanish, and Vietnamese and distribute them throughout the state. MCLSC estimates that its activities will result in the referral of at least 15 housing discrimination complaints to HUD.			
Hattiesburg	University of Southern Mississippi	\$100,000	EOI-GC
The University of Southern Mississippi's Institute for Disability Studies will partner with several grassroots, faith-based, and community-based organizations to conduct fair housing education and outreach activities throughout the state. These activities will focus on informing racial and ethnic minorities, persons with disabilities, and persons with limited English proficiency of their fair housing rights and what to do if their rights have been violated.			
<b>Missouri</b>			
St. Louis	Metropolitan St. Louis Equal Housing Opportunity Council	\$224,379	PEI-PBC
The Metropolitan St. Louis Equal Housing Opportunity Council (EHOC) will conduct fair housing enforcement activities, including the intake, investigation, mediation, and referral of housing discrimination complaints. In addition, EHOC will work in the eight-county region to substantially increase the number of affordable housing units that are accessible to persons with disabilities.			
St. Louis	Urban League of Metropolitan St. Louis	\$100,000	EOI-GC
The Urban League of Metropolitan St. Louis, Inc., will conduct a series of fair housing education and outreach activities in the city of St. Louis and Alorton, Belleville, Brooklyn, Cahokia, Centreville, Illinois, Peck, St. Claire, St. Louis, and Washington counties. The Urban League will target its activities toward underserved communities, particularly African Americans, Latinos, and persons with disabilities.			
<b>Montana</b>			
Billings	City of Billings	\$99,923	EOI-GC
The City of Billings will work with 47 organizations to conduct fair housing education and outreach activities in the greater Billings area. The collaborative effort will focus on informing the Native American population of their fair housing rights and on educating architects, builders, and others on fair housing accessibility requirements and universal design.			
<b>Nebraska</b>			
Omaha	Family Housing Advisory Services, Inc.	\$275,000	PEI-PBC
Family Housing Advisory Services, Inc., (FHAS) will provide complaint intake, investigation, mediation, and referral services for victims of housing discrimination in the Omaha area. In addition, FHAS will conduct education and outreach activities to raise public awareness of fair housing, particularly among persons with disabilities and persons with limited English proficiency.			

Nevada			
Reno	Silver State Fair Housing Council	\$203,629	PEI-PBC
The Silver State Fair Housing Council (SSFHC) will conduct fair housing enforcement activities in northern Nevada, with an emphasis on underserved and rural communities. Specifically, SSFHC will conduct complaint intake, investigation, mediation, and litigation for victims of discrimination, recruit and train testers, and conduct in-person and telephone tests of rental housing. Additionally, SSFHC will develop and maintain a tracking system for multifamily housing projects.			
Reno	Silver State Fair Housing Council	\$100,000	EOI-GC
The Silver State Fair Housing Council (SSFHC) will conduct fair housing education and outreach in Nevada. Specifically, SSFHC will expand its program of state-accredited fair housing training for real estate professionals and property managers in the rapidly growing counties of Henderson, Las Vegas, Mesquite, and Pahrump and develop and implement a fair housing education program for military veterans. Additionally, SSFHC will work with architects, builders, and others to promote compliance with the Fair Housing Act's accessibility requirements.			
New Jersey			
Hackensack	Fair Housing Council of Northern New Jersey	\$275,000	PEI-PBC
The Fair Housing Council of Northern New Jersey (FHCNNJ) will conduct fair housing enforcement activities, including the intake, investigation, mediation, and referral of housing discrimination complaints and a statewide fair housing investigation project that will involve approximately 540 paired tests. In addition, FHCNNJ will inform people of their fair housing rights by distributing 6,000 fair housing flyers to faith-based and community-based organizations, local shops and markets, and other places.			
Newark	New Jersey Citizen Action	\$100,000	EOI-GC
New Jersey Citizen Action (NJCA) will conduct education and outreach activities on lending discrimination and predatory lending practices in the subprime market. These activities will include four train-the-trainer workshops for 60 community leaders and 125 consumer education workshops for low- and moderate-income minorities, senior citizens, persons with disabilities, and persons with limited English proficiency. NJCA will also develop and distribute multi-media kits for fair housing trainers and computer tutorials for the public.			
New Mexico			
Albuquerque	New Mexico ACORN Fair Housing	\$99,757	EOI-GC
New Mexico ACORN Fair Housing will conduct education and outreach activities in Albuquerque, Las Cruces, and the Colonias, with a focus on neighborhoods with high rates of subprime lending and foreclosures. Specifically, New Mexico ACORN will partner with grassroots, faith-based, and community-based organizations to provide homeownership and lending workshops and homebuyer fairs for minority and immigrant communities, including those with high numbers of persons with limited English proficiency. New Mexico ACORN will refer housing discrimination complaints to HUD.			
New York			
Bohemia	Long Island Housing Services, Inc.	\$270,417	PEI-PBC
Long Island Housing Services, Inc., (LIHS) will provide intake, investigation, counseling, and mediation services for victims of housing discrimination. In addition, LIHS will conduct fair housing seminars on the Fair Housing Act's accessibility requirements.			
Brooklyn	South Brooklyn Legal Services, Inc.	\$183,333	PEI-PBC
South Brooklyn Legal Services, Inc., (SBLS) will assist New York City residents, particularly residents of Brooklyn and Queens, who have experienced housing or lending discrimination. SBLS will screen, investigate, and mediate complaints, and provide legal assistance to help homeowners avoid foreclosure. SBLS will also train attorneys and advocates on assisting victims of housing or lending discrimination.			
Rochester	The Housing Council in the Monroe County Area, Inc.	\$73,390	EOI-GC
The Housing Council in the Monroe County Area, Inc., will educate racial and ethnic minorities, persons with disabilities, persons with limited English proficiency, and others on their fair housing rights and what to do if they believe their rights have been violated. These activities will include fair housing workshops, homebuyer education classes, and other activities that address the findings of the <i>Analysis of Impediments to Fair Housing Choice</i> . The workshops will be conducted in partnership with grassroots, faith-based, and community-based organizations and will be held in English and Spanish. The Housing Council will make fair housing materials available in other languages, as needed. Additionally, the Housing Council will educate landlords on fair housing by adding a fair housing component to its Lead Safe Work Practices training course.			

Syracuse	Fair Housing Council of New York, Inc.	\$211,346	PEI-PBC
<p>The Fair Housing Council of New York, Inc., (FHC) will conduct a comprehensive fair housing enforcement project in Cuyahoga, Jefferson, Onondaga, Oswego, and St. Lawrence counties. FHC will provide intake and investigation of housing discrimination complaints and conduct systemic investigations of discriminatory practices, such as redlining. FHC will also recruit and train testers to perform tests for housing discrimination.</p>			
<b>North Dakota</b>			
Bismarck	Fair Housing of the Dakotas	\$220,545.67	PEI-PBC
<p>Fair Housing of the Dakotas (FHD) will conduct fair housing enforcement, education, and outreach activities in North Dakota and South Dakota. Specifically, FHD will provide complaint intake, investigation, mediation, and referral services for victims of discrimination and will test housing providers and mortgage lenders for evidence of unlawful discrimination. To help raise public awareness of fair housing, FHD will hold 24 workshops on a range of topics, such as accessible housing for persons with disabilities and predatory lending, and will distribute 30,000 fair housing publications.</p>			
<b>Ohio</b>			
Cincinnati	Housing Opportunities Made Equal of Greater Cincinnati	\$273,815.39	PEI-PBC
<p>Housing Opportunities Made Equal of Greater Cincinnati (HOME) will conduct fair housing enforcement, education, and outreach activities. Specifically, HOME will conduct complaint intake, investigation, mediation, and referral for victims of discrimination, 195 paired tests of housing providers to detect unlawful discrimination, and 45 inspections of multifamily housing for compliance with the Fair Housing Act's accessibility requirements. In addition, HOME will conduct targeted fair housing education and outreach activities, such as fair housing training sessions for mental health providers. Additionally, HOME will partner with a local grassroots organization to conduct fair housing education in a low-income Cincinnati neighborhood. HOME estimates that its activities will result in 600 housing discrimination complaints during the project term.</p>			
Cleveland	Housing Research and Advocacy Center	\$275,000	PEI-PBC
<p>The Housing Research and Advocacy Center (HRAC) and its partners, the Fair Housing Resource Center and Heights Community Congress, will provide fair housing enforcement services in the Cleveland metropolitan area. Specifically, HRAC will conduct intake, investigation, mediation, and referral of housing discrimination complaints; test the sales, rental, lending, and insurance markets for evidence of discrimination; and inspect multifamily housing for compliance with federal accessibility requirements. In addition, HRAC will monitor housing advertisements for discriminatory language.</p>			
Cleveland	Housing Research and Advocacy Center	\$100,000	EOI-GC
<p>The Housing Research and Advocacy Center (HRAC) will conduct fair housing education and outreach activities in the Cleveland-Elyria-Mentor metropolitan area. To help improve fair housing compliance, HRAC will provide fair housing training for real estate agents and housing providers and hold a regional fair housing conference. To help raise public awareness of fair housing, HRAC will conduct fair housing and predatory lending seminars for consumers, distribute fair housing brochures to community organizations, and place advertisements in local media. Although HRAC will direct its activities toward racial and ethnic minorities, persons with disabilities, and families with children, it will make its services available to all.</p>			
Cleveland	Housing Advocates, Inc.	\$275,000	PEI-GC
<p>Housing Advocates, Inc., will provide fair housing enforcement services in Cuyahoga, Geauga, Portage, Stark, and Summit counties. Housing Advocates will provide complaint intake, investigation, mediation, and referral services and conduct testing for housing discrimination. Housing Advocates will focus its activities on assisting African immigrants and persons with disabilities, but will make its services available to all.</p>			
Dayton	Miami Valley Fair Housing Center, Inc.	\$275,000	PEI-PBC
<p>The Miami Valley Fair Housing Center, Inc., (MVFHC) will provide complaint intake, investigation, mediation, and referral services for victims of discrimination. MVFHC will also conduct testing in the sales, rental, and lending markets for evidence of systemic discrimination and inspect multifamily developments for compliance with the Fair Housing Act's accessibility requirements. In addition, MVFHC will conduct fair housing education and outreach activities in Montgomery County.</p>			
Toledo	Fair Housing Opportunities, Inc., dba Fair Housing Center	\$275,000	PEI-PBC
<p>The Fair Housing Center (FHC) will conduct fair housing enforcement activities in northwest Ohio. FHC will investigate housing discrimination complaints and conduct undercover testing of housing providers to look for evidence of systemic discrimination. Additionally, FHC will conduct education and outreach activities to raise public awareness of fair housing.</p>			

<b>Oklahoma</b>			
Oklahoma City	Metropolitan Fair Housing Council	\$274,800	PEI-GC
The Metropolitan Fair Housing Council (MFHC) will provide fair housing enforcement services throughout Oklahoma. MFHC will conduct complaint intake, investigation, mediation, and referral, and use paired testing to gather evidence during investigations.			
<b>Oregon</b>			
Portland	Legal Aid Services of Oregon	\$99,785	EOI-GC
Legal Aid Services of Oregon (LASO) will partner with the Fair Housing Council of Oregon (FHCO) to perform fair housing education and outreach activities. Among other activities, LASO will develop fair housing curricula and training materials and provide technical assistance to housing providers and lenders. Additionally, LASO will develop sample apartment rental applications, rental/lease agreements, mortgage lending applications, and closing statements in English, Spanish, French, Russian, Arabic, Chinese, Korean, Vietnamese, and Laotian to aid in the successful completion of home purchase and rental transactions. These forms will be available on the FHCO website.			
<b>Pennsylvania</b>			
Glenside	Fair Housing Council of Montgomery County	\$270,000	PEI-PBC
The Fair Housing Council of Montgomery County (FHCMC) will conduct fair housing enforcement activities in Philadelphia and Montgomery County. FHCMC will receive, investigate, mediate, and, when necessary, refer complaints of housing discrimination to HUD. Additionally, FHCMC will test housing providers for discrimination against racial and ethnic minorities, persons with disabilities, and families with children.			
Pittsburgh	Fair Housing Partnership of Greater Pittsburgh, Inc.	\$275,000	PEI-GC
The Fair Housing Partnership of Greater Pittsburgh, Inc., (FHPGP) will provide enforcement services, including complaint intake, investigation, mediation, and referral. FHPGP will conduct testing to detect systemic discrimination against racial and ethnic minorities and persons with disabilities and gather evidence during complaint investigations. In addition, FHPGP will assist persons with disabilities with requesting reasonable accommodations and reasonable modifications.			
Swarthmore	Fair Housing Council of Suburban Philadelphia	\$275,000	PEI-PBC
The Fair Housing Council of Suburban Philadelphia, Inc., (FHCSF) will provide fair housing services in the Philadelphia area, including Bucks, Chester, Delaware, and Montgomery counties. Specifically, FHCSF will investigate and mediate housing discrimination complaints and perform telephone tests of the housing market for discrimination. FHCSF will make its services available to all, including persons with disabilities and persons with limited English proficiency.			
Washington	Southwestern Pennsylvania Legal Services, Inc.	\$100,000	EOI-GC
Southwestern Pennsylvania Legal Services, Inc., (SPLS) will conduct a fair housing education campaign in Appalachia, a 24-county area of southwestern Pennsylvania. Among other activities, SPLS will develop and conduct fair housing forums for attorneys, community advocates, and the public. SPLS will have 12 staff attorneys located in seven districts to provide fair housing assistance.			
<b>South Carolina</b>			
Georgetown	Waccamaw Regional Fair Housing Program	\$74,951	EOI-GC
The Waccamaw Regional Fair Housing Program (WRFHP) will conduct fair housing education and outreach activities for housing providers, government officials, and the public. These activities will include workshops and meetings, a fair housing information and complaint hotline, a fair housing website, and a Fair Housing Month event. WRFHP will accept housing discrimination complaints and refer them to HUD, if warranted.			
<b>Tennessee</b>			
Jackson	West Tennessee Legal Services, Inc.	\$275,000	PEI-PBC
West Tennessee Legal Services, Inc., (WTLS) will conduct a range of fair housing enforcement activities, including the intake, investigation, mediation, and referral of housing discrimination complaints. WTLS will also conduct tests for racial and ethnic discrimination in the housing market, particularly for discrimination against Hispanics.			

Memphis	Memphis Area Legal Services, Inc.	\$274,973	PEI-GC
<p>Memphis Area Legal Services, Inc., (MALS) will partner with the Memphis Center for Independent Living to conduct fair housing enforcement activities and promote accessible housing for persons with disabilities. MALS will investigate housing discrimination complaints and inspect multifamily housing for compliance with the Fair Housing Act's accessibility requirements. Additionally, MALS will hold workshops for multifamily housing providers on the fair housing rights of persons with disabilities and distribute educational materials to persons with disabilities. MALS expects that its activities will result in at least 64 administrative complaints and 5 lawsuits and will ultimately lead to an increase in accessible housing in the area.</p>			
<b>Texas</b>			
Austin	Austin Tenants Council, Inc.	\$274,707	PEI-PBC
<p>The Austin Tenants Council, Inc., (ATC) will conduct fair housing enforcement activities, including the intake, investigation, mediation, and referral of housing discrimination complaints. ATC will also test for housing discrimination against racial and ethnic minorities and persons with disabilities, inspect multifamily housing for compliance with federal accessibility requirements, and monitor housing advertisements for discriminatory language. Additionally, ATC will promote fair housing awareness through television, radio, and print advertisements in local media.</p>			
San Antonio	San Antonio Fair Housing Council, Inc.	\$275,000	PEI-GC
<p>The San Antonio Fair Housing Council, Inc., (SAFHC) will conduct fair housing enforcement activities in south central Texas. Specifically, SAFHC will investigate approximately 250 housing discrimination complaints; perform 140 sales, rental, or lending tests; and inspect multifamily housing for compliance with the Fair Housing Act's accessibility requirements. In addition, SAFHC will partner with state and local agencies and grassroots, faith-based, and community-based organizations to conduct community meetings on fair housing and predatory lending.</p>			
Garland	Garland Fair Housing Office	\$100,000	EOI-GC
<p>The Garland Fair Housing Office (GFHO) will conduct a fair housing education and outreach campaign for residents of Dallas County. This campaign will include 12 landlord/tenant forums, six educational symposia, four fair housing seminars, and several predatory lending presentations. In addition, GFHO will distribute fair housing materials to 100 churches and 80 community agencies. GFHO estimates that its activities will result in the referral of 70 housing discrimination complaints to HUD.</p>			
<b>Utah</b>			
Salt Lake City	Disability Law Center	\$100,000	EOI-GC
<p>The Disability Law Center (DLC) will conduct fair housing education and outreach activities in the state of Utah. Among other activities, DLC will conduct nine seminars for racial and ethnic minorities and persons with disabilities, distribute 100 fair housing self-advocacy packets for racial and ethnic minorities and persons with disabilities, and carry out a media campaign to promote public awareness of fair housing. Additionally, DLC will hold a housing rights symposium for civil rights and legal organizations. DLC will make a substantial portion of its activities available in languages other than English, including Spanish, Vietnamese, Chinese, and Russian.</p>			
<b>Vermont</b>			
Burlington	Champlain Valley Office of Economic Opportunity	\$100,000	EOI-GC
<p>The Champlain Valley Office of Economic Opportunity (CVOEO) will provide fair housing information and training to municipal officials and the public. Specifically, CVOEO will educate municipal officials on affirmatively furthering fair housing by developing and distributing an educational DVD and conducting an analysis of regulatory barriers to affordable housing in Chittenden County. To help promote public awareness of fair housing, CVOEO will distribute 7,500 informational brochures, conduct community meetings on fair housing for persons with disabilities, and develop and distribute a public service announcement to radio stations.</p>			
<b>Virginia</b>			
Richmond	Housing Opportunities Made Equal of Virginia, Inc.	\$100,000	EOI-GC
<p>Housing Opportunities Made Equal of Virginia, Inc., (HOME) will conduct a variety of fair housing education and outreach activities in the Norfolk-Virginia Beach-Newport News area. Among other activities, HOME will mail fair housing fact sheets in English and Spanish to a total of 400,000 households and make these fact sheets available in other languages, as needed. HOME will also conduct activities to raise fair housing awareness among particular groups. Specifically, HOME will partner with the Family Housing Office at Langley Air Force Base to conduct at least four workshops on fair housing, predatory lending, and financial literacy for 80 military personnel and their families. In addition, HOME will reach out to the executive leadership of seven local governments to identify ways they can promote fair housing in their jurisdictions.</p>			

Washington			
Spokane	Northwest Fair Housing Alliance	\$275,000	PEI-PBC
The Northwest Fair Housing Alliance (NWFHA) will conduct fair housing activities in eastern and central Washington. NWFHA will provide complaint intake, investigation, mediation, and referral services for victims of housing discrimination and perform paired tests of the sales and rental markets. Additionally, NWFHA will conduct education and outreach activities to raise public awareness of fair housing, particularly among African Americans, Hispanics, and persons with limited English proficiency.			
Tacoma	Fair Housing Center of South Puget Sound	\$275,000	PEI-PBC
The Fair Housing Center of South Puget Sound (FHCSPS) will provide a variety of fair housing enforcement services, including complaint intake, investigation, mediation, and referral. FHCSPS will also recruit and train testers to perform paired rental, sales, and mortgage lending tests in western and central Washington.			
West Virginia			
Morgantown	Northern West Virginia Center for Independent Living	\$99,976	EOI-GC
The Northern West Virginia Center for Independent Living (NWVCIL) will conduct fair housing education and outreach activities in West Virginia. Among other activities, NWVCIL will conduct workshops and seminars, launch a statewide fair housing media campaign, and partner with local human rights commissions to launch a statewide fair housing media campaign. In addition, NWVCIL will collect data on housing discrimination against persons with disabilities and the availability of accessible housing in West Virginia. NWVCIL will assist victims of discrimination with filing complaints with HUD. NWVCIL is the first organization in West Virginia to receive a FHIP award.			
Wisconsin			
Milwaukee	Metropolitan Milwaukee Fair Housing Council	\$274,996	PEI-PBC
The Metropolitan Milwaukee Fair Housing Council (MMFHC) will provide a range of fair housing enforcement services. Specifically, MMFHC will conduct intake, investigation, mediation, and referral of housing discrimination complaints; recruit and train testers; and test housing providers for discriminatory treatment, particularly against Southeast Asians. Additionally, MMFHC will inspect newly constructed multifamily housing for compliance with the Fair Housing Act's accessibility requirements.			
Milwaukee	Metropolitan Milwaukee Fair Housing Council	\$100,000	EOI-GC
The Metropolitan Milwaukee Fair Housing Council (MMFHC) will conduct a fair housing education and outreach project in Milwaukee, Dane County, and northeast Wisconsin. To carry out this project, MMFHC will partner with grassroots, faith-based, and community-based organizations, as well as local housing counseling agencies, to instruct homebuyers on how to recognize and report unlawful discrimination in home sales and mortgage lending. Additionally, MMFHC will conduct training for racial and ethnic minorities, persons with disabilities, and others on their fair housing rights and how to file complaints with MMFHC or HUD.			

**Fair Housing Accessibility FIRST**

In January 2003, HUD launched Fair Housing Accessibility FIRST (Fair Housing Instruction, Resources, Support, Technical Guidance), a FHIP-funded program that provides training and technical guidance on the Fair Housing Act's accessibility requirements to architects, builders, developers, and others involved in the design and construction of multifamily housing. FIRST consists of a comprehensive training curriculum that is accredited by the American Institute of Architects and various local professional groups, a website (<http://www.fairhousingfirst.org>), and a toll-free hotline (1-888-341-7781) that architects and others can contact for expert assistance with design questions. HUD contracts with BearingPoint, a company based in McLean, VA, to administer the FIRST program.

**FIRST Training Sessions**

In general, HUD concentrates FIRST training sessions in areas of the country with high rates of multifamily housing construction or recent enforcement activity involving multifamily housing accessibility. After Hurricanes

Katrina and Rita, HUD began to target some of its FIRST training sessions to the Gulf Coast Region and other hurricane affected areas. Furthermore, in FY 2007, HUD decided to hold some of its FIRST training sessions in states and cities where FIRST training had not previously been conducted. Based on these criteria, HUD selected 21 cities in 17 states as sites for FIRST training.

In FY 2007, FIRST training sessions were held in Birmingham, AL; Tucson, AZ; San Jose, CA; Washington, DC.; Atlanta, GA; Boise, ID; Chicago, IL; Frankfort, KY; Lake Charles, LA; New Orleans, LA; Portland, ME; Biloxi, MS; Jackson, MS; Bismarck, ND; Buffalo, NY; Cleveland, OH; Eugene, OR; Philadelphia, PA; Corpus Christi, TX; Houston, TX; and San Antonio, TX. In total, FIRST conducted 22 training sessions and trained 1,351 persons.

The training sessions featured one or more of the 11 training modules covering the Fair Housing Act, other disability-rights laws, and the technical requirements of designing and constructing accessible routes, public and common-use areas, kitchens, and bathrooms. During FY 2007, the attendees reported that their level of understanding of the Fair Housing Act's design and construction requirements increased from an average of 2.79 prior to the training to an average of 3.53 after the training (4 = strong; 3 = average; 2 = weak; 1 = none). In addition, 94 percent of participants said they would recommend the training to a colleague.

The training sessions surveyed the attendees on the number of multifamily units on which they were working. In FY 2007, the attendees who replied to this question reported a total of 329,543 multifamily units in which they were assisting with the development, design, or construction. These units will likely be built in an accessible manner as a result of FIRST training.

### **FIRST Website**

The FIRST website (<http://www.fairhousingfirst.org>) provides detailed information on the Fair Housing Act's design and construction requirements. For example, the website includes the 11 training modules and a section with answers to 87 frequently asked questions. In FY 2007, the FIRST website received 36,915 distinct hits.

### **FIRST Toll-Free Hotline**

The FIRST toll-free hotline (1-888-341-7781) is staffed by experts on the Fair Housing Act's design and construction requirements. Architects and other design professionals can call the toll-free hotline for answers to their design questions. In FY 2007, the FIRST toll-free hotline responded to 2,920 requests for technical guidance.

Tables 5.3 and 5.4 show the types of customers that called the FIRST toll-free hotline and the topics of the inquiries received. The data are reported for the past 4 fiscal years.

**Table 5.4 Types of Customers, by Fiscal Year (FY 2004-FY 2007)**

Customer	FY 2004	FY 2005	FY 2006	FY 2007
Access Consultant	32	78	131	92
Architect	559	793	846	763
Attorney	81	83	74	60
Builder/Contractor/Electrician/Plumber	113	93	87	76
Civil Engineer	32	55	56	34
Condo Association/Member	138	112	83	72
Developer	37	35	59	63
Disability Rights Advocate	201	199	155	122
Educator	12	4	2	1
Elder 62+	19	15	13	10
Elder Service Provider/Advocate	14	10	3	7
Fair Housing Advocate	54	76	57	40
Family/Friend	420	367	342	236
HUD Official	79	64	38	45
Interior Designer	9	10	10	10
Landscape Architect	3	2	1	5
Manufacturer/Sales Representative	14	18	12	11
Media	9	7	3	0
Person with a Disability	1,010	821	801	700
Property Manager	173	192	184	156
Property Owner	115	98	64	86
Real Estate Professional	29	28	30	26
State or Local Code Official	51	98	106	53
State or Local Housing Official	105	73	51	36
State or Local Fair Housing Official	14	27	27	9
Student	8	10	18	7
Tenant	70	66	54	36
Other Federal Government Official	20	8	3	5
Other Local/State Official	16	21	17	23
Don't Know	90	68	122	55
Other	42	67	42	81
<b>Total Number of Inquiries</b>	<b>3,569</b>	<b>3,598</b>	<b>3,491</b>	<b>2,920</b>

Source: BearingPoint

Table 5.4 shows that the FIRST toll-free hotline received 2,920 calls in FY 2007. Architects and persons with disabilities were the most frequent callers, each accounting for roughly one-fourth of the calls.

**Table 5.5 Topics of Inquiries, by Fiscal Year (FY 2004-FY 2007)**

Topic	FY 2004	FY 2005	FY 2006	FY 2007
Assistive Animal	359	254	179	183
Complaint	778	592	370	385
Fair Housing Act Overview	192	183	78	64
Legal/Cases/Standing	15	23	163	17
Materials Request	65	188	184	122
Non-Fair Housing Question	446	290	432	316
Reasonable Accommodation	1,061	926	810	665
Reasonable Modification	555	478	428	373
Requirement 1: Accessible Building Entrance on Accessible Route	440	323	136	135
Requirement 2: Accessible Common and Public Use Areas	527	558	365	357
Requirement 3: Usable Doors	167	135	112	119
Requirement 4: Accessible Route Into and Through the Dwelling Unit	102	120	116	43
Requirement 5: Accessible Light Switches, Electrical Outlets, Thermostats, and Other Environmental Controls	43	37	39	43
Requirement 6: Reinforced Walls in Bathrooms	60	32	24	36
Requirement 7: Usable Kitchens and Bathrooms	265	319	356	289
Retrofitting	28	12	24	42
Scoping/Coverage of the Fair Housing Act	776	1,456	956	919
Terms and Conditions	179	160	97	82
Training	166	158	95	56
Other	74	103	2	53
Some inquiries involved more than one topic.				
Source: BearingPoint				

Table 5.5 shows that scoping/coverage and reasonable accommodation were the most frequent topics of inquiries in FY 2007. Scoping/coverage refers to the buildings, elements, and spaces that the Fair Housing Act requires to be accessible, while reasonable accommodation refers to the Fair Housing Act’s requirement that housing providers and others make changes in their rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling or a common space. In FY 2007, nearly one-third of calls contained a scoping/coverage question and over one-fifth of calls contained a reasonable accommodation question. During this time, the accessibility features that callers most frequently asked about were accessible public and common-use areas or usable kitchens and bathrooms.



## CHAPTER 6 EDUCATION AND OUTREACH

Growing awareness of the role housing plays in the stability of individuals and families makes it more important than ever that the public be familiar with their fair housing rights. To help consumers understand their rights and how to report unlawful discrimination, HUD undertook an array of education and outreach activities in FY 2007. In addition to educating the public, HUD conducted activities designed to help housing providers, lenders, and others involved in the sale, rental, or financing of housing to become aware of their obligations under the Fair Housing Act and other civil rights laws.

To ensure that its education and outreach activities have the greatest impact, HUD measured how much the public knows about their housing rights. Specifically, HUD commissioned a national survey to establish a baseline of public awareness of the rights, prohibited practices, and procedures under federal fair housing laws. The resulting 2002 report “How Much Do We Know?” found widespread knowledge of fair housing protections dealing with race, ethnicity, and religion, but substantially less knowledge of other fair housing protections, such as those for families with children. For example, the study found that only 38 percent of the public was aware that it is generally illegal to treat families with children any differently from households without children. Moreover, the study found that only 17 percent of those who believed they had experienced discrimination took any action in response. Of those who took action, only one percent reported the incident to a government agency. According to the survey, two of the most common reasons why individuals did nothing when they experienced housing discrimination were that they felt doing so was not worth the effort and that they did not know what to do, to whom to complain, or what their rights were.

In FY 2006, as a follow-up to its 2002 study, HUD released “Do We Know More Now?” The 2006 study confirmed the findings of the 2002 study regarding public awareness of fair housing laws and responses to perceived discrimination. In addition, “Do We Know More Now?” explored possible reasons why individuals do not report housing discrimination. The study found that the expected result of filing a complaint influenced the likelihood that a person would report discrimination. Specifically, the study found that two-thirds of those who expected that filing a complaint would bring about a good outcome said they would be very likely to file, while less than one-fourth of those who did not anticipate good results said they would file. The study concluded that wider publicity of rulings in housing discrimination cases could help encourage the public to take action if they believe they have experienced discrimination.

In FY 2007, one way HUD helped raise public awareness of fair housing laws, how to report discrimination, and the available relief for victims of discrimination was through various media activities, such as placing television, movie theater, and newspaper advertisements. HUD also publicized cases that resulted in significant housing or monetary relief through television stories, magazine and newspaper articles, and the



### Los Angeles Times

Housing discrimination is alleged; Garden Grove landlords evicted Latinos to rent to Vietnamese, a Federal complaint contends.

### INDIANAPOLIS RECORDER

*"Preparing a conscious community today and beyond"*

Housing discrimination complaints at all-time high

### TIMESCALL.com

Complaints of housing discrimination on rise, officials say

HUD website. In addition to media activities, HUD participated in workshops, seminars, homeownership fairs, and other community events to provide fair housing information to prospective homebuyers and individuals seeking rental housing.

HUD officials also made numerous presentations and distributed educational materials at national conferences and meetings of housing, lending, insurance, and civil rights professionals. By participating in industry events, HUD educated professionals about their fair housing rights and responsibilities and provided them with information they can share with their colleagues and clients. In addition, HUD entered into agreements with housing industry groups pledging to work together to conduct fair housing education and outreach. In FY 2007, HUD entered into a memorandum of understanding with the Texas Apartment Association to educate rental housing providers and renters in Texas about fair housing.

This chapter describes some of the education and outreach activities that HUD conducted during FY 2007. Additionally, HUD funds education and outreach activities through its Fair Housing Initiatives Program (FHIP) and to a lesser extent through its Fair Housing Assistance Program (FHAP).

## FY 2007 HUD Fair Housing Education and Outreach Activities

### Media Activities

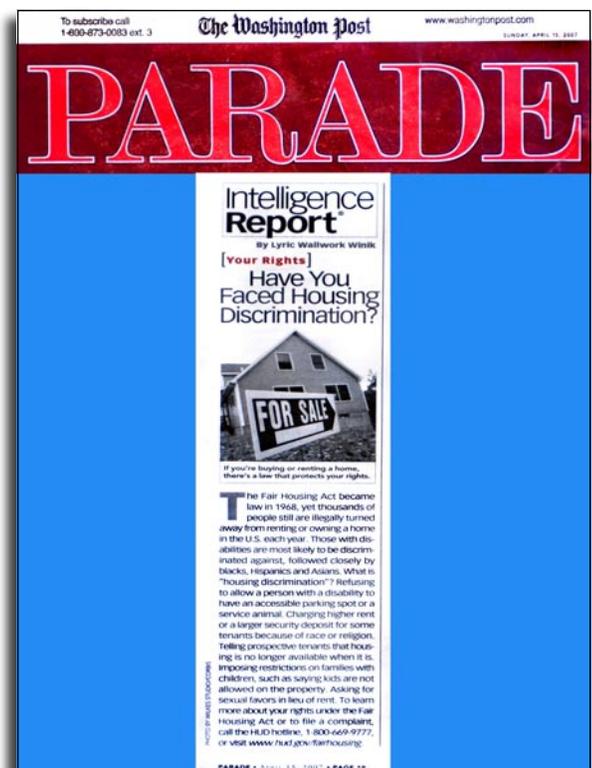
#### Fair Housing Advertisements in Movie Theaters

From April 6-13, 2007, HUD-sponsored fair housing advertisements appeared in more than 50 movie theaters, on more than 900 screens throughout the country. The advertisements informed viewers that it is unlawful to discriminate in the sale, rental, or financing of housing. In addition, the advertisements encouraged viewers to call HUD's housing discrimination hotline, 1-800-669-9777, if they believe they have experienced or witnessed unlawful discrimination.

#### News Articles and Interviews

In FY 2007, HUD fair housing efforts garnered significant media attention, including the following national news articles and interviews.

The April 15, 2007, issue of *Parade* magazine featured an article on housing discrimination. The article, "Have You Faced Housing Discrimination?," described various actions prohibited under the federal Fair Housing Act, such as charging someone a higher rent or a larger security deposit because of their race or religion and refusing to allow persons with disabilities to have accessible parking spots, even though they need them to use and enjoy their dwellings. The article referred readers to HUD's housing discrimination hotline and fair housing website for more information about their fair housing rights and how to file a housing discrimination complaint. *Parade* has a circulation of more than 35.5 million.



In April 2007, *Good Housekeeping* magazine published an article on racial and ethnic discrimination in the housing market. The article, “You Can’t Live Here (unless you’re white),” featured two families who were allegedly denied housing because of their race or national origin. One of the cases was investigated by HUD and the other was investigated by a FHAP agency. Both cases resulted in monetary settlements for the complainants. The article highlighted the fact that racial and ethnic discrimination is still a problem in today’s housing market and that government agencies can assist persons who believe they have experienced unlawful discrimination. Assistant Secretary Kim Kendrick was interviewed for the article. *Good Housekeeping* has a circulation of over 4.6 million.



On February 17, 2007, the CNN program *Open House* aired a segment on housing discrimination. The segment featured an interview with Nannatte Bishop, an African-American woman who filed a complaint with HUD alleging that Fifth Third Bank denied her application for a mortgage loan because of her race. Although Fifth Third Bank denied any wrongdoing, it agreed to pay Bishop \$125,000 to settle the case. The segment also included an interview with Assistant Secretary Kendrick, who talked about fair housing laws and the assistance that HUD can provide to persons who believe they have been victims of unlawful housing discrimination.



On April 4, 2007, Nannatte Bishop spoke at HUD’s Fair Housing Month Celebration about the housing discrimination complaint that she filed against Fifth Third Bank.

In FY 2007, Assistant Secretary Kendrick served on the advisory board for the *Essence Magazine Homeownership Campaign*, which was launched in June 2006. The 12-month campaign included monthly articles on every phase of the homebuying process—from saving for the down payment, to making an offer, to understanding the closing process. As a member of the advisory board, Assistant Secretary Kendrick discussed HUD’s Fair Housing Act enforcement efforts and counseled prospective homebuyers about their fair housing rights.

## Fair Housing Op-Ed

During April 2007, an op-ed piece written by HUD appeared in four African-American newspapers. The op-ed raised awareness of fair housing and the HUD complaint process by highlighting several cases HUD had recently settled, including the case where an African-American woman, Nannatte Bishop, alleged that a bank denied her application for a mortgage loan because of her race. The case resulted in a \$125,000 settlement for the complainant. The op-ed appeared in the *Pittsburgh Courier*, *Dallas Examiner*, *Louisville Defender*, and *East of the River* newspapers, which together reach more than 60,000 readers.

## Letters to the Editor

During FY 2007, HUD had five Letters to the Editor published in response to articles that dealt with housing discrimination. The letters informed readers that federal fair housing laws prohibit discrimination based on race, color, national origin, religion, sex, disability, or familial status in housing-related transactions, and encouraged individuals who believe that they have experienced unlawful discrimination to contact HUD. The letters appeared in the *New York Times*, *Los Angeles Times*, *New Orleans Times-Picayune*, *Akron Beacon Journal*, and *Newport News (VA) Daily Press*, which together reach more than 3 million readers.

## HUD Kids' Website

In April 2007, HUD introduced its fair housing mascot, Franklin the Fair Housing Fox, on its Kids' Next Door website, <http://www.hud.gov/kids>. Franklin, whose motto is "Dare to be Fair," was created to educate children and their parents about housing discrimination. On the website, Franklin provides information in a simple question-and-answer format about what constitutes housing discrimination and how to report it. Individuals can also contact Franklin by sending questions to [franklinthefairhousingfox@hud.gov](mailto:franklinthefairhousingfox@hud.gov).

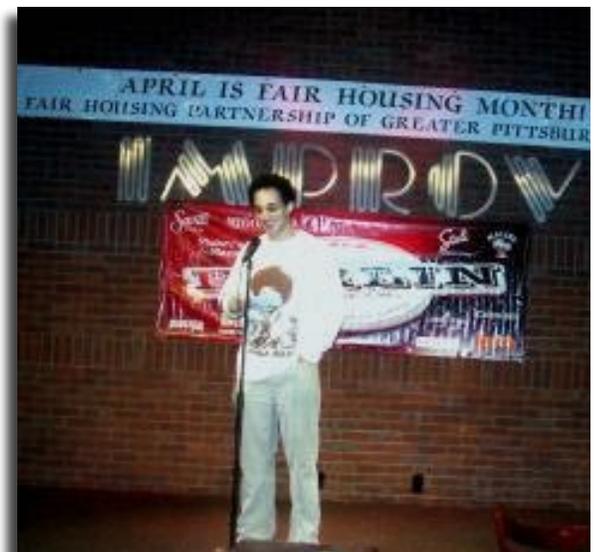


In April 2007, HUD introduced its fair housing mascot, Franklin the Fair Housing Fox, on its Kids' Next Door website.

## Education and Outreach to Housing Industry and Civil Rights Groups

### Participation in Conferences and Events

Another way that HUD conducts education and outreach is by participating in conferences and other events held by HUD offices, housing industry groups, and fair housing groups throughout the nation. Assistant Secretary Kendrick was the featured speaker at more than 20 events, and other HUD fair housing officials made speeches or gave presentations at other events. At these events, HUD also distributed fair housing materials through its Fair Housing Exhibit Booth. The purpose of these activities was to inform participants of recent HUD enforcement and education activities and to provide them with fair housing information for their constituents. HUD also participated in public education and outreach activities held by faith-based and community-based organizations, particularly during Fair Housing Month.



Jay Dworin of the Fair Housing Partnership of Greater Pittsburgh is emcee for a Night at the Improv, titled "Ending Segregation--Just Say the Word."

## Fair Housing Exhibit Booth

The purpose of the Fair Housing Exhibit Booth is to provide fair housing information to housing, real estate, lending, insurance, and civil rights professionals at their national conferences and meetings. The materials distributed at the booth are designed to educate many segments of the public. For example, the brochures “Are You a Victim of Housing Discrimination?” and “Equal Opportunity for All” provide information on fair housing rights and on reporting discrimination. These brochures are published in English, Spanish, Chinese, Vietnamese, Korean, and Arabic. Additionally, the brochures “100 Questions and Answers About Buying a New Home,” “Don’t be a Victim of Loan Fraud,” and “How to Avoid Foreclosure” provide useful information to homebuyers and homeowners. These brochures are available in both English and Spanish.



On April 16, 2007, Assistant Secretary Kim Kendrick (far right) spoke about fair housing at a meeting of the Portland, OR, Metropolitan Association of Realtors.

In FY 2007, HUD operated the Fair Housing Exhibit Booth at 12 events throughout the country, including national conferences held by the National Association for the Advancement of Colored People, in Las Vegas, NV; the National Association of Home Builders, in Orlando, FL; the National Council of La Raza, in Miami, FL; the National Bar Association, in Atlanta, GA; and the Congressional Black Caucus in Washington, DC.

## Memorandum of Understanding with the Texas Apartment Association

On April 19, 2007, HUD and the Texas Apartment Association (TAA) pledged to work together to conduct fair housing education and outreach to rental housing providers and renters in Texas. At TAA’s conference in Houston, HUD Assistant Secretary Kim Kendrick and TAA President Cheryl Pucci signed a Memorandum of Understanding (MOU) that outlined the activities that HUD and TAA would undertake to promote fair housing.



Assistant Secretary Kim Kendrick and TAA President Cheryl Pucci sign an MOU agreeing to work together to reduce discrimination in rental housing in Texas.

As part of the MOU, TAA agreed to provide fair housing information to its 10,000 members through its magazine, newsletter, and website and to encourage its associations to invite fair housing experts to make presentations to property owners and site managers. Among other activities, HUD agreed to participate in TAA conferences and encourage its Fair Housing Assistance Program (FHAP) agencies and Fair Housing Initiatives Program (FHIP) recipients in Texas to distribute fair housing information at housing fairs.



## CHAPTER 7 OVERSIGHT OF RECIPIENTS OF HUD FUNDS

HUD reviews HUD-funded programs to ensure that they are administered in a nondiscriminatory manner and that they affirmatively further fair housing. Within HUD, the Office of Fair Housing and Equal Opportunity (FHEO) is primarily responsible for ensuring that state and local government agencies and private entities that receive HUD funding comply with civil rights statutes and civil rights-related program requirements.

HUD reviews its programs by: (1) investigating complaints alleging discrimination by a HUD-funded agency, and (2) conducting compliance reviews of recipients. HUD also monitors HUD-funded recipients to determine their performance under the civil rights-related program requirements of HUD's Office of Community Planning and Development, Office of Public and Indian Housing, and Office of Housing.

The following statutes prohibit HUD-funded agencies from engaging in discrimination.

- Title VI of the Civil Rights Act of 1964 (Title VI), as amended, which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended, which prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance and in HUD programs and activities. Section 504 regulations require that in federally assisted housing with 5 or more units, 5 percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with mobility impairments. An additional 2 percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing and vision impairments.
- Section 109 of the Housing and Community Development Act of 1974 (Section 109), as amended, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance under Title I of the Act, including the Community Development Block Grant program, Urban Development Action Grants,<sup>13</sup> Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee program. While Section 109 does not include discrimination based on age or disability on the list of prohibited bases, the statute makes applicable to these programs the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973. On December 30, 2005, Section 109 was amended by the Support our Scouts Act, which prohibits states or units of general local government that receive assistance under Title I of the Housing and Community Development Act and have designated open forums, limited public forums, or nonpublic forums from discriminating against or denying equal access to any youth organization, including the Boy Scouts of America, that wishes to conduct a meeting or otherwise participate in any of the aforementioned forums.
- Section 282 of the Cranston-Gonzalez National Affordable Housing Act, which prohibits discrimination on the basis of race, color, religion, sex, or national origin under any program or activity receiving assistance from the HOME Investment Partnerships program. While Section 282 does not directly prohibit discrimination based on age or disability, the statute states that the prohibitions against discrimination on

<sup>13</sup> Urban Development Action Grants have not been funded since FY 1988.

the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973 apply to HOME programs or activities.

- The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- Title II of the Americans with Disabilities Act of 1990 (ADA), which prohibits discrimination on the basis of disability in programs, services, and activities provided or made available by public entities. The U.S. Department of Justice has primary enforcement responsibility for Title II of the ADA. HUD enforces Title II of the ADA when it relates to state and local public housing, housing assistance, and housing referrals.
- Title IX of the Education Amendments Act of 1972 (Title IX), which prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance. The U.S. Department of Education has primary enforcement responsibility for Title IX. HUD enforces Title IX in HUD-funded educational and training programs and activities.

## Complaints Against Recipients of HUD Funds

When someone files a discrimination complaint against a recipient of HUD funds, HUD investigates the complaint to determine whether the recipient violated civil rights laws or civil rights related program requirements. At the conclusion of the investigation, HUD issues written findings of its investigation. Typically, HUD issues a Letter of Findings to the recipient and to the complainant. The Letter of Findings contains the findings of fact and any findings of noncompliance, along with a description of an appropriate remedy. In Section 109 and Section 504 complaint investigations, the Letter of Findings also includes a notice of the right of the recipient or the complainant to request a review of the Letter of Findings.

Once HUD makes a determination of noncompliance, it informs the recipient and complainant in writing via a final Letter of Findings. It is the policy of HUD to encourage a resolution of the matter through informal means. The typical method used to informally resolve complaints is the Voluntary Compliance Agreement (VCA), which details the steps the recipient must take to correct civil rights and other related violations set out in the Letter of Findings. If the recipient refuses to informally resolve the matter, HUD can take appropriate action to effect compliance, including, but not limited to, suspension or debarment proceedings under 24 CFR part 24, suspension or termination of existing federal funds or refusal to grant future federal financial assistance to the

### Atlanta Housing Authority Agrees to Make Changes to its Housing and Other Programs to Improve Accessibility for Persons with Disabilities

On March 15, 2007, HUD and the Atlanta Housing Authority (AHA) executed a Voluntary Compliance Agreement (VCA) to address the issues raised during HUD's review of AHA's Low-Income Public Housing (LIPH) program. In February 2006, HUD conducted a compliance review of AHA's LIPH program for compliance with Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990.

As part of the VCA, AHA agreed to make a minimum of 5 percent, or 310, of its 6,181 public housing units accessible to persons with mobility impairments within 4 years of the effective date of the VCA. AHA will also conduct an assessment within one year of the VCA to determine if it needs to make more than 5 percent of its units fully accessible in order to meet the needs of low-income disabled residents of Atlanta. AHA will ensure that the accessible units are distributed throughout its developments and sites and available in a sufficient range of bedroom sizes and amenities. Additionally, AHA will make its non-housing programs, such as mail delivery, trash disposal, and laundry facilities, accessible to persons with disabilities.

The VCA also requires AHA to amend its application, admissions, occupancy, transfer, reasonable accommodation, pet, and effective communication policies to better serve persons with disabilities. Among other activities, this will include the creation of a database to identify and prioritize AHA-assisted residents and applicants who require accessible units in order to maximize the utilization of accessible units by persons who need the accessible features. Furthermore, the VCA requires AHA to amend its lease/lease addendum to require that residents who are occupying a Uniform Federal Accessibility Standards unit, but do not have a disability-related need for an accessible unit, relocate to a vacant, non-accessible unit if there is an eligible applicant or resident with a disability who requires an accessible unit.

AHA will inform its employees of the terms of the VCA by providing them with copies of the new policies it has adopted and a letter explaining how it will implement them. AHA will also train its current and new employees that have contact with applicants, residents, or the public on their responsibilities pursuant to the VCA, the Fair Housing Act, Section 504, ADA, and their implementing regulations. Additionally, AHA will carry out several activities to inform applicants and residents of the new policies, particularly the right to request reasonable accommodations.

recipient (but only after an administrative hearing), or referral of the matter to the U.S. Department of Justice with a recommendation for appropriate enforcement action.

**Table 7.1 Complaints Against Recipients of HUD Funds, FY 2007**

	Title VI	Title IX	Section 504	Section 109	Title II of ADA	Age Discrim	Total
Complaints Filed	702	0	970	56	305	2	2,035
Investigations Closed	616	0	760	23	208	4	1,611
Investigations Open at the End of FY 2007	1,290	1	1,566	209	585	9	3,660

Source: TEAPOTS

Table 7.1 shows the number of complaints received in FY 2007 that alleged discrimination by a recipient of HUD funds and the civil rights law that was allegedly violated. In FY 2007, the largest number of complaints filed against recipients of HUD funds alleged Section 504 violations, followed by violations of Title VI, Title II of the ADA, and Section 109. During this period, HUD received two complaints alleging violations of the Age Discrimination Act and no complaints alleging violations of Title IX.

In FY 2007, HUD completed 1,611 investigations arising from complaints against HUD-funded agencies. The closure activity corresponded to the distribution of complaints, with the most closures of investigations being for Section 504 complaints, followed by complaints under Title VI, Title II of the ADA, Section 109, and the Age Discrimination Act.

At the end of FY 2007, there were 3,660 open civil rights investigations of recipients of HUD funds. This number includes investigations that were filed in FY 2007 or initiated in previous fiscal years. Complaints alleging violations of Section 504 made up the largest number of open investigations, while complaints alleging violations of Title VI accounted for the second-largest number of open investigations.

### Compliance Reviews of Recipients of HUD Funds

HUD conducts compliance reviews to determine whether a recipient of HUD funds is in compliance with applicable civil rights laws and their implementing regulations. HUD undertakes compliance reviews based on criteria established by HUD. HUD also initiates a compliance review when a civil rights problem is detected through HUD program monitoring, risk analysis, or limited monitoring reviews; or information is obtained from other sources, including complaints or news media reports.

#### HUD Debars Omaha Landlord for Sexual Harassment

On May 21, 2007, HUD debarred John Koch, an Omaha, NE, landlord from doing business with the federal government for 3 years for making unwanted sexual advances toward female residents of his rental properties and female rental applicants.

The debarment is based upon a civil judgment entered against Koch following a jury trial in the U.S. District Court for the District of Nebraska. The court found that Koch, who manages several Section 8 properties, violated the Fair Housing Act by engaging in an illegal pattern and practice of housing discrimination over a 10-year period. During that period, Koch subjected numerous female tenants and prospective tenants to severe, pervasive, and unwanted verbal and physical sexual advances.

In total, the court awarded the aggrieved women \$16,967 in actual damages and \$49,185 in punitive damages. Additionally, the District Court imposed a civil money penalty of \$40,000 against Koch.

After a review to assess whether the recipient of HUD funds has complied with civil rights laws, HUD issues written findings of its review. Typically, HUD issues a Letter of Findings to the recipient. A Letter of Findings contains the findings of fact and any findings of noncompliance, along with a description of an appropriate remedy.

Once HUD makes a determination of noncompliance, it must inform the recipient in writing. It is the policy of HUD to encourage a resolution of the matter through informal means. The typical method used to informally resolve a finding of noncompliance is a Voluntary Compliance Agreement (VCA), which details the steps the recipient must take to correct the civil rights and other related violations. If the recipient refuses to informally resolve the matter, HUD can take other appropriate action to effect compliance, including, but not limited to, suspension or debarment proceedings under 24 CFR part 24, suspension or termination of existing federal funds or refusal to grant future federal financial assistance to the recipient (but only after an administrative hearing), or referral to the U.S. Department of Justice with a recommendation for appropriate enforcement action.

**Table 7.2 Compliance Reviews of Recipients of HUD Funds, FY 2007**

	Title VI	Title IX	Section 504	Section 109	Title II of ADA	Age Discrim	Total
Compliance Reviews Initiated	62	0	67	14	4	1	148
Compliance Reviews Closed	51	0	55	10	0	0	116
Compliance Reviews Open at the End of FY 2007	153	0	210	21	25	1	410
Source: TEAPOTS							

Table 7.2 shows that the largest number of compliance reviews conducted in FY 2007 were for violations of Section 504, followed by violations of Title VI, Section 109, Title II of the ADA, and the Age Discrimination Act. HUD did not conduct compliance reviews for violations of Title IX in FY 2007.

At the conclusion of FY 2007, 410 compliance reviews were still open. This number includes compliance reviews that were initiated in FY 2007 or previous fiscal years. More than half of the open compliance reviews were for violations of Section 504, while over one-third were for violations of Title VI.

## CHAPTER 8 FAIR HOUSING AND CIVIL RIGHTS IN HUD PROGRAMS

### HUD Reporting Responsibilities

Section 808 of the Fair Housing Act requires that HUD annually report to Congress, and make available to the public, data on the race, color, religion, sex, national origin, age, disability, and family characteristics of households who are applicants for, participants in, or beneficiaries or potential beneficiaries of programs administered by the Department, to the extent that such characteristics are within the coverage of the provisions of law and Executive Orders set forth below.

- Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs and activities receiving federal financial assistance.
- Title VIII of the Civil Rights Act of 1968, as amended, widely known as the Fair Housing Act, which prohibits discrimination based on race, color, national origin, religion, sex, familial status, or disability in the sale, rental, and financing of dwellings and in other housing-related transactions.
- Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in any federally funded program or activity and in HUD programs or activities.
- The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- The Equal Credit Opportunity Act, which prohibits any creditor from discriminating against any applicant with respect to any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract).
- Section 1978 of the Revised Statutes, which gives all citizens of the United States, regardless of race, the same rights in every state and territory to inherit, purchase, lease, sell, hold, and convey real and personal property.
- Section 8(a) of the Small Business Act, which authorizes the Small Business Administration (SBA) to enter into contracts with other federal agencies. The SBA then subcontracts the actual performance of the work to small businesses owned and controlled by socially and economically disadvantaged individuals. Through a memorandum of understanding, SBA delegated the authority to HUD to contract directly with 8(a) firms.
- Section 527 of the National Housing Act, which prohibits discrimination on the basis of sex in any federally related mortgage loan, or federal insurance, guaranty, or other assistance in connection therewith.
- Section 109 of the Housing and Community Development Act of 1974, as amended, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance under Title I of the Act, including the Community Development Block Grant program, Urban Development Action Grants,<sup>14</sup> Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee program.

<sup>14</sup> Urban Development Action Grants have not been funded since FY 1988.

While Section 109 does not include discrimination based on age or disability on the list of prohibited bases, the statute makes applicable to these programs the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973. On December 30, 2005, Section 109 was amended by the Support our Scouts Act, which prohibits states or units of general local government that receive assistance under Title I of the Housing and Community Development Act and have designated open forums, limited public forums, or nonpublic forums, from discriminating against or denying equal access to any youth organization, including the Boy Scouts of America, that wishes to conduct a meeting or otherwise participate in any of the aforementioned forums.

- Section 3 of the Housing and Urban Development Act of 1968 (Section 3), as amended, which requires that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons.
- Executive Orders 11063, 11246, 11625, 12250, 12259, and 12432.

## Racial and Ethnic Categories

Prior to the 2000 census, the Office of Management and Budget (OMB) significantly revised its standards for federal agencies that collect, maintain, and report federal data on race and ethnicity. HUD offices implemented this data format on January 1, 2003.

Under the new OMB standards, individuals responding to inquiries about race have the option to select one or more of five racial categories: (1) "American Indian or Alaska Native;" (2) "Asian;" (3) "Black or African American;" (4) "Native Hawaiian or Other Pacific Islander;" and (5) "White." The new OMB format, like the previous approach, treats ethnicity separately from race. Persons must choose one of two ethnic categories: (1) "Hispanic or Latino;" or (2) "Not Hispanic or Latino."

The previous OMB guidelines on race had been in place since 1977. Under those guidelines, there were only four racial categories: (1) "American Indian or Alaskan Native;" (2) "Asian or Pacific Islander;" (3) "Black;" and (4) "White." Persons also did not have the option of selecting multiple categories. In the past, some agencies incorrectly classified Hispanic as a race instead of an ethnic category.

In FY 2007, some HUD programs provided data under the old categories; others conformed to the current guidelines; and still others provided data using a combination of the two formats.

The following sections report on the protected characteristics of beneficiaries of HUD-funded programs and briefly describe the programs.

## Federal Housing Administration

In response to the problems associated with the economic depression of 1929, Congress passed the National Housing Act of 1934 to support homeownership and housing development. The National Housing Act created the Federal Housing Administration (FHA), which insures private lenders against loss on mortgage financing for single-family homes, multifamily housing projects, health care facilities, property improvements, and manufactured homes. By insuring private lenders against loss, FHA encourages lenders to invest capital in single-family, multifamily, and other housing markets. FHA became part of HUD in 1965.

FHA's programs are designed to expand homeownership and affordable housing opportunities. They are operated under four mortgage insurance funds (the FHA Funds), which are supported through income from premiums, sales of HUD-owned properties, interest on investments, Congressional appropriations, and other sources.

HUD insures single-family loans made by FHA-approved lenders for up to 98.75 percent of the appraised value. Depending on the size of the loan, a single-family loan can be for up to 30 years. Most mortgagors pay at least a 3 percent down payment, but the Secretary may determine a larger amount.

**Table 8.1 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Home Purchase Loans, FY 2007**

Protected Characteristic	Loans to Persons with Characteristic	Dollar Amount of Loans to Persons with Characteristic
Total	278,394	\$37,518,177,408
<b>Race</b>		
American Indian or Native Americans	0.5%	0.5%
Asian	1.0%	1.2%
Black or African American	14.2%	14.5%
Native Hawaiian or Other Pacific Islander	1.1%	1.1%
White	66.0%	64.5%
Hispanic	12.9%	13.4%
Mixed Race	0.3%	0.3%
Not Disclosed	3.8%	4.1%
<b>Sex</b>		
Female	34.6%	33.4%
Male	64.0%	65.1%
Not Disclosed	1.4%	1.5%
Percentages may not total 100 percent due to rounding.		
Source: Single Family Data Warehouse		

In FY 2007, FHA collected racial data using the new OMB categories; however, it classified Hispanic as a race instead of an ethnicity. FHA also complied with the OMB requirement to allow beneficiaries to select more than one race, and reported these beneficiaries under a “Mixed Race” category.

During FY 2007, two-thirds of FHA-insured home purchase loans were made to white borrowers. The shares of home purchase loans made to black or African-American borrowers and Hispanic borrowers were roughly equal, approximately 14 percent and 13 percent, respectively. The remaining disclosed racial categories accounted for less than 3 percent of home purchase loans, and mixed-race borrowers made up less than one percent of home purchase loans.

Racial data were not disclosed for about 4 percent of borrowers. For any racial group, the difference between its share of loans and its share of dollar amount did not vary by more than 1.5 percentage points.

FHA classifies loans based on the sex of the first borrower on the loan papers, regardless of whether there was a co-borrower. Therefore, the loans classified as “male” or “female” could be to a single adult, a couple, or any other household configuration. In FY 2007, male borrowers received 64.0 percent of purchase loans, female borrowers received 34.6 percent of purchase loans, and data were not reported for 1.4 percent of purchase loans. During the fiscal year, there was not much of a difference for male borrowers and female borrowers between their shares of loans and shares of dollar amount.

**Table 8.2 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Refinance Loans, FY 2007**

Protected Characteristic	Loans to Persons with Characteristic	Dollar Amount of Loans to Persons with Characteristic
Total	146,336	\$22,319,272,817
<b>Race</b>		
American Indian or Native Americans	0.4%	0.4%
Asian	0.6%	0.7%
Black or African American	16.2%	16.7%
Native Hawaiian or Other Pacific Islander	1.1%	1.2%
White	66.8%	65.3%
Hispanic	8.8%	9.5%
Mixed Race	0.4%	0.4%
Not Disclosed	5.8%	5.8%
<b>Sex</b>		
Female	32.4%	31.0%
Male	65.3%	66.8%
Data Not Available	2.3%	2.2%
Percentages may not total 100 percent due to rounding.		
Source: Single Family Data Warehouse		

In FY 2007, whites received the largest share of FHA-insured refinance loans (66.8 percent). Blacks or African Americans were the second-largest group of borrowers (16.2 percent), while Hispanics were the next-largest group (8.8 percent). All other racial categories each received roughly one percent or less of refinance loans. Approximately 6 percent of recipients of refinance loans did not disclose their race. For any racial group, the difference between its share of loans and its share of dollar amount did not vary by more than 1.5 percentage points.

For refinance mortgages, male borrowers received 65.3 percent of loans, female borrowers received 32.4 percent of loans, and the sex of the borrower was not reported for 2.3 percent of loans. In FY 2007, there was not much of a difference for male borrowers and female borrowers between their shares of loans and shares of dollar amount.

## **Multifamily Subsidized Housing Programs**

### **Project Rental Subsidies**

The housing subsidies described below are paid to owners on behalf of tenants to keep their rents affordable. This assistance is tied to the property and differs in that respect from tenant-based rental assistance programs (e.g., housing choice vouchers), where the subsidy follows the tenant when the tenant moves to another property.

### **Project-Based Section 8**

Through Project-Based Section 8, HUD provides rental assistance to families in assisted FHA-insured and non-insured properties to ensure that these properties remain affordable to low-income families.

### **Rent Supplement Contracts**

The Rent Supplement program was established by the Housing and Urban Development Act of 1965. Until the program was suspended under the housing subsidy moratorium of January 5, 1973, rent supplement contracts were available to Section 221(d)(3) BMIR, Section 231, Section 236 (insured and noninsured), and Section 202 properties for the life of the mortgage. The suspension stopped the funding of any additional projects, although previously funded projects continue to receive funding.

### **Rental Assistance Payment (RAP) Contracts**

RAP was established by the Housing and Community Development Act of 1974 to provide additional rental assistance to property owners on behalf of very low-income tenants. RAP is available only to Section 236 properties and was the predecessor of the Project-Based Section 8 program.

### **Section 202 Supportive Housing for the Elderly**

Section 202 Supportive Housing for the Elderly helps expand the supply of affordable housing with supportive services for the elderly. Section 202 housing provides elderly persons with options for independent living in an environment that offers services such as cooking, cleaning, and transportation. Once the project is developed, funding is provided through the Section 202 project rental assistance contract (PRAC) to cover the difference between the HUD-approved operating cost for the project and the tenants' contributions toward rent.

In order to live in Section 202 housing, a household must be very low-income (below 50 percent of the median income for the area) and must have at least one member who is age 62 or older.

## **Section 811 Supportive Housing for Persons with Disabilities**

Section 811 Supportive Housing for Persons with Disabilities allows persons with disabilities to live independently, by providing a supply of rental housing that has supportive services. Once the project is developed, funding is provided through a Section 811 PRAC to cover the difference between the HUD-approved operating cost for the project and tenants' contributions toward rent.

In order to live in Section 811 housing, a household, which may consist of a single qualified person, must be very low-income and at least one member must be at least 18 years old and have a disability, such as a physical or developmental disability or chronic mental illness.

### **Direct Loans**

#### **Section 202 Direct Formula Interest Rate Loans**

The Section 202 Direct Formula Interest Rate Loan program replaced the Section 202 Direct Low-Interest Loan program. Both programs provided long-term, direct loans to finance housing for elderly persons or persons with disabilities. However, formula interest rate loans carried an interest rate based on the average yield on 30-year marketable obligations of the United States, and properties were developed with 100 percent Section 8 assistance to help keep units affordable to low-income families. This program is commonly referred to as Section 202/8. While no new projects have been developed under this program since 1991, previously developed projects are still in operation.

The Direct Formula Interest Rate Loan program ended in 1991, becoming the Section 202 Capital Advance program and the Section 811 Capital Advance program. Both programs have PRAC funding, which is described above. The Section 202 Capital Advance program serves elderly persons, while the Section 811 Capital Advance program develops housing for persons with disabilities.

**Table 8.3 Protected Characteristics of Households Provided with Housing Assistance from Rental Subsidies, for the 18-Month Period Ending September 30, 2007**

Protected Characteristic	Project-Based Section 8 <sup>1</sup>	Rent Supplement	Rental Assist. Program (RAP)	Section 202 PRAC <sup>2</sup>	Section 811 PRAC	Section 202 Direct Loan w/ Section 8
Total Households <sup>3</sup>	1,040,950	12,049	15,317	92,163	26,045	173,046
<b>Race</b>						
Black	35.4%	34.9%	45.1%	23.2%	21.8%	19.8%
White	57.8%	59.6%	48.6%	67.4%	73.3%	73.4%
Other	4.6%	2.7%	4.3%	7.5%	2.5%	5.1%
Data Not Available	2.2%	2.9%	2%	1.9%	2.4%	1.7%
<b>Ethnicity</b>						
Hispanic	13.1%	18.9%	14.5%	11.5%	5.4%	10.7%
Not Hispanic	86.9%	81.1%	85.5%	88.5%	94.6%	89.3%
<b>Age of Head of Household</b>						
Younger than 31	23.3%	11.9%	13.1%	0%	13.3%	1.6%
31–41	11.9%	12.3%	11.4%	0.1%	20.7%	2.9%
42–51	11.6%	14.1%	12.8%	0.2%	30.9%	6.1%
52–61	11.6%	14.5%	14%	0.5%	23.3%	8.4%
62 or Older	41.5%	47.2%	48.7%	99.2%	11.9%	80.9%
<b>Sex of Head of Household</b>						
Female	76.1%	72.2%	72.8%	73.0%	47.2%	68.7%
Male	23.9%	27.7%	27.1%	26.9%	52.7%	31.2%
<b>Disability<sup>4</sup></b>						
Households Reporting a Disability	22.5%	21.4%	17.5%	4.0%	97.3%	25.1%
<b>Families with Children</b>						
Households with Children <sup>5</sup>	34.5%	27.3%	27.9%	0%	2.7%	0.4%
<p>Data are from the TRACS system for the 18-month period ending on September 30, 2007. A household was excluded if its record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either program termination or move-out. A total of 295,359 records were excluded.</p> <ol style="list-style-type: none"> <li>The Section 8 Project-Based column excludes all households covered under Section 202/8. It includes all new and substantial rehabilitation projects, property disposition projects, Section 8 projects with Loan Management Set Asides (LMSA), and State Housing Finance and Development Agency (HFDA) projects. It also includes all households in Section 236 and BMIR projects having Section 8 LMSA assistance. These households are not included in Table 8.4 to avoid duplication.</li> <li>The Section 202 PRAC column contains a small number of Section 202/162 Project Assistance Contract (PAC) households.</li> <li>"Total Households" reflects the number of households with tenant data reports in the TRACS system.</li> <li>"Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.</li> <li>"Households with Children" indicates households with at least one child under the age of 18.</li> </ol>						
Source: Tenant Rental Assistance Certification System (TRACS)						

Project rental subsidy and direct loan data were not reported with the racial categories required by OMB, but ethnicity was reported separately from race. Project rental subsidy and direct loan data were provided for heads of households only, regardless of the composition of the households.<sup>15</sup>

Whites headed nearly three-fourths of households receiving housing assistance through Section 811 PRAC and Section 202 Direct Loan with Section 8. Blacks headed about one-fifth of households that were beneficiaries of these programs.

In Section 202 PRAC, whites headed a little more than two-thirds of households that were beneficiaries, while in Project-Based Section 8 and Rent Supplement programs whites headed nearly three-fifths of households that were receiving assistance. Blacks headed about one-third of households that were beneficiaries of Project-Based Section 8 and Rent Supplement programs and headed almost one-fourth of households receiving assistance through Section 202 PRAC.

In the Rental Assistance Program (RAP), whites headed close to half of the households that received assistance (48.6 percent). Blacks followed closely behind, heading 45.1 percent of households receiving assistance under RAP.

In project rental subsidy and direct loan programs, the shares of households headed by Hispanics ranged from 5.4 percent in Section 811 PRAC to 18.9 percent in the Rent Supplement program. Within that range, Hispanics headed 10.7 percent in Section 202 Direct Loan with Section 8, 11.5 percent in Section 202 PRAC, 13.1 percent in Project-Based Section 8, and 14.5 percent of households in the RAP subsidy programs.

In Section 202 PRAC, 99.2 percent of heads of households were age 62 or older. The number is so high because the household must have a member who is elderly to qualify for Section 202 PRAC. The program did not report 100 percent elderly, because the reporting was limited to the head of household, and a household could have qualified for Section 202 PRAC if another family member was elderly.

Persons age 62 or older headed 80.9 percent of households receiving housing assistance from the Section 202 Direct Loan Program with Section 8. This was because many of the projects funded under this program were created for the elderly. In Project-Based Section 8, roughly two-fifths of households were age 62 or older. Nearly half of all heads of households that received assistance from Rent Supplement or RAP were age 62 or older.

The Section 811 program deviated significantly from this trend, with just 11.9 percent of the heads of household age 62 or older. This is because most organizations that serve the elderly applied for funding through the Section 202 program and would not have applied for Section 811 funding.

Women headed a clear majority of the households in all but one of the programs. The majorities ranged from 68.7 percent of households receiving assistance from Section 202 Direct Loan with Section 8 to 76.1 percent of households benefiting from Project-Based Section 8. The only rental assistance program that deviated from this pattern was Section 811 PRAC, where women headed slightly less than half of the households.

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<sup>15</sup> The number of households receiving assistance from Project-Based Section 8 and Rent Supplement is reported differently in the FY 2007 Annual Report on Fair Housing and the FY 2007 Performance and Accountability Report (PAR). The Annual Report on Fair Housing reports the number of households for which demographic information was reported to the Multifamily Housing program, while the PAR shows the number of subsidized units available for occupancy.

In Section 811 PRAC, nearly all of the households had someone with a disability. While at least one member must have a disability in order for a household to participate in the program, the total was not 100 percent. This was because the data captured only whether the head, spouse, or co-head had a disability. It can be assumed that in the remaining households, a member other than the head, spouse, or co-head had a disability.

The share of persons with a disability in Section 202 PRAC was 4 percent. The low number of persons reporting a disability is due, at least in part, to the fact that those benefiting from Section 202 PRAC had no incentive to disclose a disability, because doing so did not provide them with any additional benefits.

In the remaining project rental subsidy and direct loan programs, the share of households reporting a disability ranged from 17.5 percent in RAP to 25.1 percent in Section 202 Direct Loan with Section 8. Persons with disabilities were present in 21.4 percent of households benefiting from the Rent Supplement program and 22.5 percent of households receiving assistance from Project-Based Section 8.

Families with children accounted for a little more than one-third of households receiving assistance from Project-Based Section 8, and more than one-fourth of the households in the RAP and Rent Supplement programs. Almost none of the households benefiting from Section 202 PRAC or Section 202 Direct Loan with Section 8 had a child living with them.

## **Multifamily/FHA Housing Programs**

### **Financing Subsidies: Mortgage Insurance and Mortgage Interest Rate Subsidies**

#### **Section 236**

This FHA program, established by the Housing and Urban Development Act of 1968, combined federal mortgage insurance with interest reduction payments to encourage the production of low-cost rental housing. While no longer providing insurance or subsidies for new mortgage loans, existing Section 236 properties continue to receive interest subsidies. Under this program, HUD provided interest subsidies in order to lower a project's mortgage interest rate to as little as one percent. The interest reduction payment resulted in lower operating costs and, consequently, a reduced rent structure.

The Section 236 basic rent is the rent that the owner must collect to cover the property's costs, given the mortgage interest reduction payments made to the property. All tenants pay at least the Section 236 basic rent and, depending on their income level, may pay a rent up to the Section 236 market rent.

Some Section 236 properties experienced escalating operating costs, causing the basic rent to increase beyond levels readily affordable to many low-income tenants. To maintain the financial health of the property, HUD may have allocated project-based rental assistance through a Section 8 Loan Management Set-Aside (LMSA) to a Section 236 property. Some Section 236 properties receive other forms of project-based rental assistance from programs such as the Rent Supplement program.

#### **Section 221(d)(3) Below Market Interest Rate (BMIR) Program**

This FHA program insured and subsidized mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for low- and moderate-income families. This program no longer provides subsidies for new mortgage loans, but existing Section 221(d)(3) BMIR properties are still in operation.

Families living in Section 221(d)(3) BMIR projects are considered subsidized because the reduced rents for these properties are made possible by subsidized mortgage interest rates. Some BMIR projects experienced escalating operating costs that have caused the BMIR rents to increase beyond levels that are affordable to low- and moderate-income tenants. When this occurs, HUD may have allocated project-based rental assistance through an LMSA to these properties to decrease vacancies and improve the project's financial position.

**Table 8.4 Protected Characteristics of Households Provided with Housing Assistance through Mortgage Insurance and Mortgage Interest Rate Subsidies, for the 18-Month Period Ending September 30, 2007**

Protected Characteristic	Section 236	Section 221(d)(3) Below Market Interest Rate (BMIR)
Total Households <sup>1</sup>	31,080	6,269
<b>Race</b>		
Black	36.2%	33.3%
White	57.8%	50.1%
Other	3.6%	15.2%
Data Not Available	2.4%	1.4%
<b>Ethnicity</b>		
Hispanic	11.3%	12.2%
Not Hispanic	88.7%	87.8%
<b>Age of Head of Household</b>		
Younger than 31	22.2%	22.8%
31-41	15.5%	20.8%
42-51	13.7%	20.0%
52-61	11.9%	16.6%
62 or Older	36.7%	19.8%
<b>Sex of Head of Household</b>		
Female	65.8%	55.2%
Male	34.1%	44.8%
<b>Disability</b>		
Households Reporting a Disability <sup>2</sup>	9.5%	2.8%
<b>Families with Children</b>		
Households with Children <sup>3</sup>	30.9%	42.4%
<p>Data are from the TRACS system for the 18-month period ending on September 30, 2007. A household was excluded if its record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either program termination or move-out. A total of 295,359 records were excluded.</p> <p>1. "Total Households" indicates the number of households with tenant data in TRACS.</p> <p>2. "Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.</p> <p>3. "Households with Children" indicates households with at least one child under the age of 18.</p>		
Source: Tenant Rental Assistance Certification System (TRACS)		

Recipients of Section 236 and Section 221(d)(3) BMIR did not report data in accordance with the racial categories required by OMB. However, Section 236 and BMIR recipients complied with the OMB requirement to report ethnicity separately from race. Section 236 and BMIR data were provided for heads of households only, regardless of the composition of the households.

In FY 2007, whites headed more than one-half of households provided with housing assistance through Section 236, while blacks headed more than one-third of the households. A small fraction of heads of households, 3.6 percent, identified a race other than black or white. In compliance with OMB standards, Section 236 collected race and ethnicity data separately. Hispanics headed 11 percent of the households receiving assistance through Section 236.

Of the households provided with housing assistance through Section 236, 36.7 percent had a head of household who was 62 or older. A little over one-fifth of the heads of households were younger than 31, and a little over two-fifths of the heads of households were between 31 and 61.

A woman headed nearly two-thirds of the households benefiting from Section 236. A child was present in little less than one-third of the households. Roughly one-tenth of the households assisted through Section 236 reported a head, spouse, or co-head with a disability.

Whites headed half of the households assisted through Section 221(d)(3) BMIR (50.1 percent), blacks headed one-third of the households, and persons of other races headed 15.2 percent of households. In compliance with OMB standards, BMIR collected race and ethnicity data separately. Hispanics headed 12.2 percent of the households assisted through BMIR.

The households receiving assistance through BMIR were distributed fairly evenly among the age groups listed in Table 8.4. Roughly one-fifth of participants fell into each category. The share of participants in each age group ranged from 16.6 percent in the 52-61 age group through 22.8 percent in the age group younger than age 31.

A woman headed the majority of households receiving subsidies through BMIR (55.2 percent). A child was present in 42.4 percent of households benefiting from BMIR. Only 2.8 percent of the households reported a head, spouse, or co-head with a disability.

## Housing Counseling

The Housing Counseling Assistance program counsels consumers on financing, maintaining, renting, and owning a home. HUD provides counseling services through HUD-approved housing counseling agencies. Such agencies and national, regional, or multi-state intermediaries may apply for one-year grants through a notice of funding availability published by HUD.

The agencies provide an array of pre- and post-occupancy education programs such as one-on-one pre-purchase and pre-rental counseling and homebuyer training sessions, which cover topics such as property maintenance and personal money management. These agencies also provide mortgage-default and rent-delinquency counseling to help clients restructure debt, obtain re-certification for rent subsidy, establish reinstatement plans, seek loan forbearance, and manage household finances. In addition, they provide counseling on home equity mortgage conversion, home improvement and rehabilitation, and displacement and relocation.

Table 8.5 provides data on the race and ethnicity of households that received housing counseling from HUD-funded housing counseling agencies in FY 2006. These data were not reported in the FY 2006 Annual Report on Fair Housing because housing counseling agencies are not required to submit their data to HUD until 90 days after the end of the fiscal year; consequently, the data were not available in time for the FY 2006 report. Data for FY 2007 will be reported in the FY 2008 Annual Report.

**Table 8.5 Protected Characteristics of Households that Participated in HUD-Funded Housing Counseling Programs, FY 2006<sup>16</sup>**

Protected Characteristic	Percent of Households with Characteristic
Total Households	692,240
<b>Race</b>	
American Indian or Alaska Native	1%
Asian	3%
Black or African American	36%
Native Hawaiian or Other Pacific Islander*	0%
White	53%
American Indian or Alaska Native and White*	0%
Asian and White*	0%
Black or African American and White*	0%
American Indian or Alaska Native and Black or African American	2%
Other Multi-Racial*	0%
Not Reported	4%
<b>Ethnicity</b>	
Hispanic or Latino	21%
Not Hispanic or Latino	79%
Not Reported	0%
*Percent category under 0.5 percent. Percentages may not total 100 percent due to rounding.	
Source: Aggregate data from HUD form 9902	

In FY 2006, the housing counseling program collected racial and ethnicity data in accordance with OMB standards. During this period, the two largest racial groups of housing counseling clients were white households and black or African-American households, accounting for 53 percent and 36 percent, respectively. Asian households were 3 percent of housing counseling clients, while American Indians or Alaska Natives were

<sup>16</sup> Data were not available for FY 2007 at the time of preparing this report. Therefore, FY 2007 data will be reported in the FY 2008 Annual Report on Fair Housing.

one percent of housing counseling clients. About two percent of housing counseling clients were of mixed race, the vast majority of which were American Indian or Alaska Native and Black or African American.

In compliance with OMB standards, the housing counseling program collected race and ethnicity data separately. In FY 2006, about one-fifth of households that participated in HUD-funded housing counseling programs identified as Hispanic or Latino.

## **Homeless Assistance**

Five homeless assistance programs authorized by the McKinney-Vento Homeless Assistance Act address the needs of persons who are homeless. Through the Emergency Shelter Grant program, HUD provides assistance to state and local governments to improve the quality of existing emergency shelters for the homeless, create additional shelters, meet the costs of operating shelters, provide essential social services to the homeless, and help prevent homelessness. Under the Title V program, HUD collects and publishes information about surplus federal property that can be used to provide shelter, services, storage, or other types of aid to homeless persons. The three remaining programs award grants through the Continuum of Care homeless assistance competition. These programs are described below.

### **Continuum of Care**

Programs funded through the Continuum of Care system are designed to meet the physical, economic, social, and shelter needs of persons who are homeless. These programs are the Supportive Housing Program, Shelter Plus Care Program, and Single Room Occupancy Program. Grants for these programs are made available through a notice of funding availability published by HUD. Eligible applicants include states, units of local government, public housing agencies, and private nonprofit organizations.

### **Supportive Housing Program**

The Supportive Housing Program (SHP) is authorized by Sections 421-429 of the McKinney-Vento Homeless Assistance Act. SHP helps develop housing and related supportive services for people moving from homelessness to independent living. SHP helps homeless people live in a stable place, increase their skills or income, and gain more control over their lives.

### **Shelter Plus Care Program**

The Shelter Plus Care Program (S+C) is authorized by Sections 451-463 of the McKinney-Vento Homeless Assistance Act. S+C provides rental assistance that, when combined with social services, provides supportive housing for homeless persons with disabilities and their families. The program allows for a variety of housing choices, such as group homes or individual units, coupled with a range of supportive services (funded by other sources).

### **Single Room Occupancy**

The Single Room Occupancy (SRO) Program is authorized by Section 441 of the McKinney-Vento Homeless Assistance Act. SRO provides for rental assistance in and moderate rehabilitation of buildings with multiple single-room units designed to accommodate single homeless individuals. These rooms often do not contain

individual food preparation or bathroom facilities. A public housing agency makes Section 8 rental assistance payments to the landlords for the homeless people who rent the rehabilitated units.

**Table 8.6 Protected Characteristics of Participants in Homeless Assistance, Continuum of Care Programs, FY 2007**

Protected Characteristic	Percent of Participants with Characteristic
<b>Race of 136,935 adult participants</b>	
American Indian or Alaska Native	1.9%
Asian	0.7%
Black or African American	43.1%
Native Hawaiian or Other Pacific Islander	0.9%
White	47.8%
American Indian or Alaska Native and White	0.6%
Asian and White	0.2%
Black or African American and White	0.8%
American Indian or Alaska Native and Black or African American	0.2%
Other Multi-Racial	3.8%
<b>Ethnicity of 137,248 adult participants</b>	
Hispanic or Latino	12.0%
Not Hispanic or Latino	88.0%
<b>Sex of 193,213 adult participants and other family members</b>	
Female	47.5%
Male	52.5%
<b>Age of 193,213 adult participants and other family members</b>	
Younger than 18	27.8%
18–30	20.2%
31–50	38.8%
51–61	11.1%
62 or Older	2.2%
<b>Special Needs<sup>1</sup> of 216,732 adult participants</b>	
Mental Illness	25.4%
Alcohol Addiction	20.9%
Drug Abuse	23.8%
HIV/AIDS and Related Diseases	2.5%
Developmental Disability	2.1%
Physical Disability	9.5%
Domestic Violence	10.4%
Other	5.5%
<p>1. These figures represent only the approximate number and percentage of disabling conditions reported. Based on this data, it is not possible to determine how many unique individuals are represented by the disabling conditions reported.</p> <p>Percentages may not total 100 percent due to rounding.</p> <p>Source: Based on Annual Progress Reports (APRs) submitted for 2,507 projects funded through HUD's Continuum of Care competition for program year ending in 2007 as of October 11, 2007.</p>	

HUD collected race, ethnicity, sex, age, and special needs information on participants that entered the Supportive Housing, Shelter Plus Care, or Single Room Occupancy programs in FY 2007, collectively known as Continuum of Care. The following data were extracted from the Annual Progress Reports (APRs) submitted by Continuum of Care grantees.

In FY 2007, the racial and ethnicity data on participants in these programs complied with OMB guidelines. During this period, the largest racial group of entering participants was whites, who constituted 47.8 percent of those entering Continuum of Care programs, closely followed by blacks or African Americans, making up 43.1 percent of entrants. The remaining single race groups each accounted for less than 2 percent of entrants. Persons of mixed-race constituted 5.6 percent of entering participants. In accordance with OMB requirements, ethnicity was reported separately from race. Twelve percent of participants in Continuum of Care programs were Hispanic or Latino.

A little more than half of participants and family members entering the Continuum of Care programs were male (52.5 percent). An examination of the age ranges of those entering the programs and their family members shows that more than four-fifths were younger than 50 years of age. About 11 percent were between 51 and 61, and around 2 percent were age 62 or older.

Data in the Special Needs portion of Table 8.6 are for single adult participants. A participant could report more than one disabling condition; hence, it is impossible to determine from the data the number of unique individuals with disabling conditions. In FY 2007, mental illness was the most common disabling condition, reported by one-fourth of single adult participants. Alcohol addiction and drug abuse were also common among participants, each reported by a little more than one-fifth of single adult participants. Smaller numbers of participants reported a physical disability (9.5 percent), developmental disability (2.1 percent), and HIV/AIDS or related diseases (2.5 percent).

## **HOME Investment Partnerships Program**

Authorized by the Cranston-Gonzalez National Affordable Housing Act, the HOME Investment Partnerships Program (HOME) is the only federal block grant for state and local governments designed exclusively to provide affordable housing for low-income households. States and localities may use their HOME allocations to: (1) construct or rehabilitate housing for sale or rental, (2) provide direct financial assistance to first-time or other qualified homebuyers, and (3) provide assistance to rehabilitate eligible owner-occupied properties. A state or local government may also use HOME funds to provide tenant-based rental assistance (TBRA), if such activity is consistent with its Consolidated Plan and justified under local market conditions. Funding is also available for other reasonable and necessary expenses related to the development of non-luxury housing, including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses.

Each year, HUD allocates HOME funds among the states and hundreds of localities nationwide. HOME funds are allocated to units of general local government on the basis of a formula that considers, among other factors, the relative inadequacy of each jurisdiction's housing supply, incidence of poverty, and fiscal distress.

Table 8.7 contains data on the race, ethnicity, and familial status of households that benefited from the HOME Investment Partnerships Program in FY 2007. Data were extracted from the Integrated Disbursement and Information System (IDIS).<sup>17</sup>

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<sup>17</sup> The number of beneficiaries from the HOME program is reported differently in the FY 2007 Annual Report on Fair Housing and the FY 2007 Performance and Accountability Report (PAR). The Annual Report on Fair Housing reports the number of occupied units, while the PAR shows the number of funded units.

**Table 8.7 Protected Characteristics of Beneficiaries of the HOME Investment Partnerships Program, FY 2007**

Protected Characteristic	Rental	Homebuyer	Homeowner	TBRA
Total Number of Participants	32,738	29,808	11,323	16,028
<b>Race</b>				
American Indian or Alaska Native	0.7%	0.4%	0.3%	2.0%
Asian	1.9%	2.0%	2.5%	0.5%
Black or African American	42.6%	31.6%	26.9%	30.5%
Native Hawaiian or Other Pacific Islander	0.2%	0.3%	0.4%	0.3%
White	37.6%	44.3%	54.6%	52.5%
American Indian or Alaska Native and White	0.1%	0.1%	0.1%	0.4%
Asian and White	0.0%	0.1%	0.1%	0.1%
Black or African American and White	0.2%	0.5%	0.2%	0.2%
American Indian or Alaska Native and Black or African American	0.0%	0.1%	0.0%	0.1%
Other Multi-Racial	0.9%	1.0%	0.6%	0.6%
Spanish Culture or Origin	15.7%	19.6%	14.2%	12.9%
<b>Ethnicity</b>				
Hispanic or Latino	15.7%	19.6%	14.2%	12.9%
Not Hispanic or Latino	84.3%	81.4%	85.8%	87.1%
<b>Familial Status</b>				
Families with Children	34.2%	60.0%	33.8%	51.4%
Percentages may not total 100 percent due to rounding.				
Source: Integrated Disbursement and Information System (IDIS)				

In FY 2007, the HOME program collected racial data using the OMB categories, but also included a “Spanish Culture or Origin” category. However, HOME collected ethnicity separate from race, in accordance with OMB standards.

During the fiscal year, roughly 42.6 percent of the households living in HOME-assisted rental units were black or African American, while 37.6 percent were white. About 1.9 percent of households identified as Asian and about 1.2 percent of households identified as multiple races. Hispanic or Latino ethnicity was reported by 15.7 percent of households. In FY 2007, about one-third of the households living in HOME-assisted rental units had at least one child.

The two largest racial groups of beneficiaries of HOME Homebuyer assistance were white (44.3 percent) and black or African American (31.6 percent). Two percent of households identified as Asian, and 1.8 percent of households identified as more than one race. Hispanic or Latino households totaled 19.6 percent of households. In FY 2007, families with children constituted approximately three-fifths of the households receiving assistance from the HOME Homebuyer program.

In FY 2007, the majority of beneficiaries of the HOME Homeowner Rehabilitation program were white households (54.6 percent), followed by black or African American households (26.9 percent). Asian households made up 2.5 percent of beneficiaries, and Native Hawaiian or Other Pacific Islander and American Indian or Alaska Native households each made up less than one percent of beneficiaries. Multiple races were selected by one percent of households. Hispanic or Latino ethnicity was reported by 14.2 percent of beneficiaries. Families with children constituted about one-third of the households that received assistance from the HOME Homeowner Rehabilitation program.

In FY 2007, the majority of households receiving HOME TBRA were white (52.5 percent), followed by black or African American ones (30.5 percent). American Indian or Alaska Native households made up 2 percent of beneficiaries, while Asian and Native Hawaiian or Other Pacific Islander households each made up less than one percent of beneficiaries. About 1.4 percent of households identified as multiple races. Hispanic or Latino ethnicity was reported by 12.9 percent of households. During the fiscal year, one or more children were present in about one-half of the households receiving HOME TBRA.

### **Community Development Block Grant (CDBG)**

The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. Subject to annual appropriation, the CDBG program provides annual grants on a formula basis to states, entitled metropolitan cities, and urban counties to implement a wide variety of community and economic development activities directed toward neighborhood revitalization, economic development, and community facilities and services. CDBG activities are initiated and implemented at the local level based upon a community's identification of its needs and priorities.

Each entitlement grantee receiving CDBG funds determines what activities it will fund, as long as certain requirements are met, including that each activity is eligible and meets one of the following broad national objectives: benefits persons of low- and moderate-income, aids in the prevention or elimination of slums or blight, or meets other community development needs of a particular urgency that the grantee is unable to finance on its own.

CDBG funds may be used for a wide variety of activities, including the rehabilitation of residential structures, homeownership assistance, community planning, economic development, construction or rehabilitation of community facilities, and the provision of public services, including fair housing activities. Generally, the construction of new housing by units of general local government is ineligible for CDBG assistance; however, new housing construction may be carried out by eligible Community Based Development Organizations under 24 CFR 570.204(a).

In FY 2007, CDBG collected race and ethnicity data in accordance with OMB guidelines. Table 8.10 contains information on the race and ethnicity of households that benefited from CDBG's single-unit and multi-unit residential rehabilitation and homeownership assistance during FY 2007. Additional CDBG activities also had beneficiaries. Data were extracted from the Integrated Disbursement and Information System (IDIS).

**Table 8.8 Protected Characteristics of Beneficiaries of CDBG’s Single-Unit Housing Rehabilitation, Multi-Unit Housing Rehabilitation, and Homeownership Assistance Programs, FY 2007**

Protected Characteristic	Single-Unit Housing Rehabilitation	Multi-Unit Housing Rehabilitation	Homeownership Assistance
Total Number of Participants	117,830	26,358	6,919
<b>Race</b>			
American Indian or Alaska Native	0.6%	0.9%	0.6%
Asian	1.4%	4.3%	2.7%
Black or African American	32.1%	31.4%	30.0%
Native Hawaiian or Other Pacific Islander	0.2%	0.1%	0.2%
White	58.4%	53.3%	59.6%
American Indian or Alaska Native and White	0.2%	0.2%	0.5%
Asian and White	0.2%	0.0%	0.1%
Black or African American and White	0.7%	0.2%	0.5%
American Indian or Alaska Native and Black or African	0.2%	0.1%	0.1%
Other Multi-Racial	6.1%	9.6%	5.8%
<b>Ethnicity</b>			
Hispanic or Latino	12.6%	25.0%	12.9%
Not Hispanic or Latino	87.4%	75.0%	87.1%
Percentages may not total 100 percent due to rounding.			
Source: Integrated Disbursement and Information System (IDIS)			

According to Table 8.8, in FY 2007, the largest group of beneficiaries of CDBG’s single-unit housing rehabilitation was whites (58.4 percent). The second-largest group of participants was blacks or African Americans (32.1 percent) followed by individuals of multiple races (7.4 percent). Overall, 12.6 percent of those assisted by CDBG’s single-unit housing rehabilitation reported their ethnicity as Hispanic or Latino.

Whites also constituted the majority of those benefiting from CDBG’s multi-unit housing rehabilitation program (53.3 percent). The next largest group was blacks or African Americans (31.4 percent), followed by multi-racial individuals (10.1 percent). Asians constituted 4.3 percent of the beneficiaries. Hispanic or Latino ethnicity was reported by 25 percent of multi-unit housing rehabilitation beneficiaries.

In FY 2007, whites also made up the largest group of beneficiaries of CDBG homeownership assistance (59.6 percent). Black or African-American participation was at 30 percent, while multi-racial individuals represented 7.0 percent of beneficiaries. Asians made up 2.7 percent of beneficiaries, while American Indians or Alaska Natives made up less than one percent of those receiving CDBG homeownership assistance. Hispanic or Latino ethnicity was reported by 12.9 percent of homeownership assistance recipients.

## Housing Opportunities for Persons with AIDS (HOPWA)

Authorized by the Cranston-Gonzalez National Affordable Housing Act, HOPWA is a HUD grant program that assists states and local governments in addressing the housing needs of low-income persons with HIV/AIDS and their families. In addition to providing rental assistance subsidies, funds may be used to develop and operate community residences and other housing facilities that offer on-site support for activities of daily living and other needed services. The HOPWA program is the only federal program dedicated to addressing the housing needs of persons living with HIV/AIDS and their families. HOPWA efforts also foster community planning to provide comprehensive approaches to address the needs of this population, including helping HOPWA residents achieve greater housing stability and improve their access to health care and HIV services provided under the Ryan White CARE Act and other programs.

The HOPWA program provides assistance through formula grants and competitive grants. In the 2006-2007 program year, HOPWA formula grants were awarded to 120 jurisdictions, including 39 eligible states and 81 local governments in eligible metropolitan statistical areas (EMSAs) through the Department's Consolidated Plan process. The awards to eligible recipients are based on AIDS surveillance data obtained from the Centers for Disease Control and Prevention. Ninety percent of HOPWA funds are allocated to these areas. The remaining 10 percent of HOPWA funds are awarded competitively through a notice of funding availability to projects proposed by state and local governments and nonprofit organizations. The awards are made to areas that do not qualify for formula allocations and to Special Projects of National Significance (SPNS). SPNS projects serve as models for addressing the needs of eligible persons, including racial and ethnic minorities, women, and persons in rural areas. Approximately 28 competitive awards are made each year.

Data were extracted from Annual Progress Reports (APRs) for competitive grantees and from the Integrated Disbursement and Information System (IDIS) for formula grantees. The totals represent HOPWA beneficiaries that have submitted information to HUD.<sup>18</sup>

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<sup>18</sup> The number of beneficiaries from the HOPWA program is reported differently in the FY 2007 Annual Report on Fair Housing and the FY 2007 Performance and Accountability Report (PAR). The Annual Report on Fair Housing reports the number of participants, while the PAR reports the number of households benefiting from the program.

**Table 8.9 Protected Characteristics of Persons Provided with Housing Assistance through HOPWA Competitive Grants, 2006-2007 Program Year**

Protected Characteristic	Percent of Persons with Characteristic
<b>Recipients of Housing Assistance</b>	
Number of Recipients of Housing Assistance from HOPWA Competitive Grants - Total	6,909
Persons with HIV/AIDS	64%
Family Members of Participants with HIV/AIDS	36%
<b>Race</b>	
American Indian or Alaska Native	1.4%
Asian	0.4%
Black or African American	44.8%
Native Hawaiian or Other Pacific Islander	0.5%
White	49.4%
American Indian or Alaska Native and White	0.2%
Asian and White*	0.0%
Black or African American and White	1.1%
American Indian or Alaska Native and Black or African American	0.1%
Other Multi-Racial	2.0%
<b>Ethnicity</b>	
Hispanic	11.0%
Non-Hispanic	89.0%
<b>Age</b>	
Younger than 18	18.9%
18-30	12.4%
31-50	54.7%
51 or Older	13.9%
<b>Sex</b>	
Female	37.6%
Male	62.4%
*Percent category under 0.1 percent. Percentages may not total 100 percent due to rounding.	
Source: Annual Progress Reports (APRs)	

In the 2006-2007 program year, the racial and ethnicity characteristics of those assisted with HOPWA competitive and formula grants were reported in accordance with OMB guidelines. During this time, the

majority of persons assisted through HOPWA competitive grants were white (49.4 percent), followed closely by Blacks or African Americans (44.8 percent). The other single race categories made up 2.3 percent of persons assisted with HOPWA competitive grants. Persons of multiple races accounted for 3.4 percent of beneficiaries. Eleven percent of those assisted through HOPWA competitive grants reported Hispanic national origin.

More than half of those provided with housing assistance through HOPWA competitive grants were between 31 and 50 years of age, while nearly one-third of those assisted were age 30 or younger. Men made up a little more than three-fifths of the beneficiaries assisted through HOPWA competitive grants.

**Table 8.10 Protected Characteristics of Persons Provided with Housing Assistance through HOPWA Formula Grants, 2006-2007 Program Year**

Protected Characteristic	Percent of Persons with Characteristic
<b>Recipients of Housing Assistance</b>	
Number of Recipients of Housing Assistance from HOPWA Competitive Grants - Total	97,022
Persons with HIV/AIDS	78.6%
Family Members of Participants with HIV/AIDS	21.4%
<b>Race</b>	
American Indian or Alaska Native	0.0%
Asian	0.0%
Black or African American	50.4%
Native Hawaiian or Other Pacific Islander	0.0%
White	40.9%
American Indian or Alaska Native and White	0.0%
Asian and White*	0.0%
Black or African American and White	0.0%
American Indian or Alaska Native and Black or African American	0.0%
Other Multi-Racial	8.0%
<b>Ethnicity</b>	
Hispanic	11.0%
Non-Hispanic	89.0%
<b>Age</b>	
Younger than 18	16.0%
18-30	14.1%
31-50	56.7%
51 or Older	13.2%
<b>Sex</b>	
Female	36.4%
Male	63.6%
*Percent category under 0.1 percent. Percentages may not total 100 percent due to rounding.	
Source: Integrated Disbursement and Information System (IDIS)	

Blacks or African Americans constituted the largest group of those receiving housing assistance through HOPWA formula grants, accounting for 50.4 percent of beneficiaries. Whites were the second-largest group receiving assistance, making up 40.9 percent of participants. Individuals of multiple races made up 8 percent of those receiving assistance, while 11 percent identified as Hispanic.

The majority of those receiving housing assistance from the formula grants were between 31 and 50 years of age (56.7 percent). The second-largest group receiving such assistance was less than 18 years of age (16.0 percent), closely followed by those between 18 and 30 (14.1 percent). During this program year, men accounted for close to two-thirds of those assisted through HOPWA formula grants.

## Public Housing

Authorized by the U.S. Housing Act of 1937, the Low-Income Public Housing program provides safe, decent rental housing for eligible low-income families, the elderly, and persons with disabilities. HUD administers federal aid to local housing agencies for the operation, maintenance, and replacement of public housing, and provides technical and professional assistance in planning, developing, and managing these developments. Public housing comes in a variety of forms, from scattered single-family houses to high-rise apartments. These sites are managed by public housing agencies that provide housing to low-income residents at affordable rents.

Public housing is limited to low-income families and individuals. The public housing agency determines the eligibility of a potential resident based on annual gross income, citizenship or immigration status, and whether he or she qualifies as elderly or disabled.

Table 8.11 provides data on the race, ethnicity, age, sex, disability, and presence of children of public housing households. HUD collects this data electronically from public housing agencies and maintains it in the Public Housing Information Center (PIC). The table includes data on all households for which demographic information was reported to the public housing program; the actual number of public housing households was higher. The data were provided for heads of household only, regardless of the composition of the households.<sup>19</sup>

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<sup>19</sup> The number of households in public housing is reported differently in the FY 2007 Annual Report on Fair Housing and the FY 2007 Performance and Accountability Report (PAR). The Annual Report on Fair Housing reports the number of households for which demographic information was reported to the Public Housing program, while the PAR shows the number of units available for occupancy.

**Table 8.11 Protected Characteristics of Beneficiaries of the Public Housing Program, for the 18-Month Period Ending September 30, 2007**

Protected Characteristic	Percent of Households with Characteristic
Total Households <sup>1</sup>	979,273
<b>Race<sup>2</sup></b>	
American Indian or Alaska Native	0.7%
Asian	2.1%
Black or African American	46.0%
Native Hawaiian or Other Pacific Islander	0.5%
White	51.1%
Mixed Race	0.4%
<b>Ethnicity</b>	
Hispanic	22.5%
Non-Hispanic	77.5%
<b>Age</b>	
Younger than 31	19.4%
31-41	16.9%
42-51	16.8%
52-61	16.0%
62 or Older	30.8%
<b>Sex</b>	
Female	75.3%
Male	24.7%
<b>Disability<sup>3</sup></b>	
Households Reporting a Disability	33.3%
<b>Families with Children</b>	
Households with Children <sup>4</sup>	41.4%
<p>Data are from the PIC system for the 18-month period ending on September 30, 2007. A household was excluded if their record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either end of participation or move-out.</p> <p>1. "Total Households" reflects the number of households with tenant data reports in the PIC system after exclusions for missing or out-of-range data.</p> <p>2. Entries for race are mutually exclusive and sum to 100 percent. There is no missing data for race or ethnicity as the PIC system forces the user to choose one ethnicity and at least one race.</p> <p>3. "Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.</p> <p>4. "Households with Children" indicates households with at least one child under the age of 18.</p>	
Source: Public and Indian Housing Information Center	

In FY 2007, racial and ethnicity data for public housing complied with OMB standards. During this time, whites headed around half of all households in public housing (51.1 percent), followed closely by black or African-American heads of households (46 percent). Asians headed 2.1 percent of households in public housing. American Indians or Alaska Natives, Native Hawaiians or other Pacific Islanders, and persons of mixed race each headed less than one percent of households in public housing. A little more than one-fifth of heads of households identified as Hispanic or Latino.

An examination of the ages of heads of households in public housing shows that nearly one-third were age 62 or older. At the same time, nearly one-fifth of heads of household were under age 31. The remaining heads of household were evenly distributed among age categories: 16.9 percent were between 31 and 41; 16.8 percent were between 42 and 51; and 16.0 percent were between 52 and 61.

A woman headed three-fourths of households in public housing. One-third of households reported having a head, spouse, or co-head with a disability, and at least one child was present in over two-fifths of households.

### **Housing Choice Vouchers**

HUD provides funding to state and local agencies that, in turn, issue Housing Choice Vouchers (HCVs) to low- and very low-income families to help them lease or purchase safe, decent, and affordable housing. Participants may choose any housing that meets the program requirements. They are not limited to a unit located in a subsidized housing project.

In Table 8.12, data on race, ethnicity, sex, age, disability, and the presence of children were reported for households with HCVs. HUD collects this data electronically from public housing agencies and maintains it in the Public Housing Information Center (PIC). The total reported did not capture all households in the program; the actual number of households with HCVs was higher. The data were provided for heads of households only, regardless of the composition of the households.<sup>20</sup>

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<sup>20</sup> The number of households receiving Housing Choice Vouchers is reported differently in the FY 2007 Annual Report on Fair Housing and the FY 2007 Performance and Accountability Report (PAR). The Annual Report on Fair Housing reports the number of households for which demographic information was reported to the Housing Choice Voucher program, while the PAR shows the number of vouchers (contracted units) based on funding.

**Table 8.12 Protected Characteristics of Beneficiaries of the Housing Choice Voucher Program, for the 18-Month Period Ending September 30, 2007**

Protected Characteristic	Percent of Households with Characteristic
Total Households <sup>1</sup>	1,872,312
<b>Race<sup>2</sup></b>	
American Indian or Alaska Native	1.0%
Asian	2.6%
Black or African American	43.8%
Native Hawaiian or Other Pacific Islander	0.6%
White	52.7%
Mixed Race	0.6%
<b>Ethnicity</b>	
Hispanic	17.2%
Non-Hispanic	82.8%
<b>Age</b>	
Younger than 31	20.5%
31-41	25.5%
42-51	21.5%
52-61	14.4%
62 or Older	18.1%
<b>Sex</b>	
Female	83.0%
Male	17.0%
<b>Disability<sup>3</sup></b>	
Households Reporting a Disability	37.1%
<b>Families with Children</b>	
Households with Children <sup>4</sup>	55.0%
<p>Data are from the PIC system for the 18-month period ending on September 30, 2007. A household was excluded if their record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either end of participation or move-out. The data include a small number of Section 8 Certificates still in the system.</p> <ol style="list-style-type: none"> <li>1. "Total Households" reflects the number of households with tenant data reports in the PIC system after exclusions for missing or out-of-range data.</li> <li>2. Entries for race are mutually exclusive and sum to 100 percent. There is no missing data for race or ethnicity as the PIC system forces the user to choose one ethnicity and at least one race.</li> <li>3. "Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.</li> <li>4. "Households with Children" indicates households with at least one child under the age of 18.</li> </ol>	
Source: Public and Indian Housing Information Center	

In FY 2007, the racial and ethnicity data on participants in these programs complied with OMB guidelines. During this period, whites headed more than half of the households in the HCV program (52.7 percent), and blacks or African Americans headed over two-fifths of households (43.8 percent). Asians headed 2.6 percent of households. American Indians or Alaska Natives headed one percent of households, while Native Hawaiians or other Pacific Islanders and persons of mixed race each headed less than one percent. In accordance with OMB requirements, ethnicity was reported separately from race. Hispanics headed 17.2 percent of households using HCVs.

In the HCV program, about 20.5 percent of heads of households were under age 31, while 18.1 percent of heads of households were age 62 or older. About 25 percent of heads of households were between age 31 and 41, nearly 22 percent were between age 42 and 51, and 14 percent were between 52 and 61.

More than four-fifths of HCV households had female heads, and over one-third reportedly had a head, co-head, or spouse with a disability. At least one child was present in a little more than half of households.

### **Moderate Rehabilitation Program**

The Moderate Rehabilitation (Mod Rehab) program provides project-based rental assistance for low-income families. This program began in 1978 as an expansion of the rental certificate program when HUD determined that at least 2.7 million rental units had deficiencies requiring a moderate level of upgrading. Mod Rehab was repealed in 1991, and no new projects have been authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments contract between an owner and a public housing agency.

Eligible families are placed on the public housing agency's HCV or separate Mod Rehab waiting list. When vacancies occur in Mod Rehab projects, the agency refers eligible families from its waiting list to the owner, who then interviews the family.

In Table 8.13, data on the race, ethnicity, sex, age, disability, and the presence of children were reported for households receiving assistance from the Mod Rehab program. The total reported did not capture all households benefiting from the Mod Rehab program; the actual number of households in the Mod Rehab program was higher. The data were provided for heads of households only, regardless of the composition of the households.

**Table 8.13 Protected Characteristics of Beneficiaries of the Moderate Rehabilitation Program, for the 18-Month Period Ending September 30, 2007**

Protected Characteristic	Percent of Households with Characteristic
Total Households <sup>1</sup>	32,837
<b>Race<sup>2</sup></b>	
American Indian or Alaska Native	1.3%
Asian	1.4%
Black or African American	42.8%
Native Hawaiian or Other Pacific Islander	0.5%
White	54.6%
Mixed Race	0.5%
<b>Ethnicity</b>	
Hispanic	26.5%
Non-Hispanic	73.5%
<b>Age</b>	
Younger than 31	20.1%
31-41	15.8%
42-51	24.6%
52-61	21.7%
62 or Older	17.7%
<b>Sex</b>	
Female	56.3%
Male	43.7%
<b>Disability<sup>3</sup></b>	
Households Reporting a Disability	40.0%
<b>Families with Children</b>	
Households with Children <sup>4</sup>	27.0%

Data are from the PIC system for the 18-month period ending on September 30, 2007. A household was excluded if their record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either end of participation or move-out.

1. "Total Households" reflects the number of households with tenant data reports in the PIC system after exclusions for missing or out-of-range data.
2. Entries for race are mutually exclusive and sum to 100 percent. There is no missing data for race or ethnicity as the PIC system forces the user to choose one ethnicity and at least one race.
3. "Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.
4. "Households with Children" indicates households with at least one child under the age of 18.

Source: Public and Indian Housing Information Center

In FY 2007, racial and ethnicity data for Mod Rehab complied with OMB standards. Whites headed more than half of the households benefiting from the Mod Rehab program (54.6 percent), and blacks or African Americans headed 42.8 percent of households in the program. Asians headed 1.4 percent of households in Mod Rehab housing. American Indians or Alaska Natives headed over one percent of households, while Native Hawaiians or other Pacific Islanders and persons of mixed race each headed less than one percent of households. A little more than one-fourth of households receiving Mod Rehab assistance reported their ethnicity as Hispanic or Latino.

Nearly one-fourth of heads of households assisted through the Mod Rehab program were between age 42 and 51. Households with heads younger than 31 years of age or between 52 and 61 years of age each made up approximately one-fifth of Mod Rehab households. At the same time, heads of household between age 31 and 41 made up nearly 16 percent of those receiving assistance, while those age 62 or older represented about 18 percent of heads of households in the program.

The majority of households receiving assistance through Mod Rehab were female-headed (56.3 percent). Forty percent of the households identified as having a head, spouse, or co-head with a disability, and at least one child was present in 27 percent of the households.



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