

**National Fair Housing Alliance Denounces the Crisis of Housing Segregation
NFHA Announces Filing of Discrimination Complaint Against Century 21
Franchise**

Press Release: For Immediate Release
July 27, 2005

Kathy Fletcher kfletcher@nationalfairhousing.org

The National Fair Housing Alliance (NFHA) will hold a news conference on July 27, 2005, in Detroit, Michigan, to announce the filing of a discrimination complaint against a Century 21 franchise in the Detroit region.* This complaint results from testing conducted in the City of Detroit as well as in its surrounding suburbs. NFHA's investigation reveals a dramatic pattern of racial steering.

Over the past two years, NFHA has conducted extensive testing of real estate companies located throughout the United States. NFHA's testing reveals a surprisingly high level of steering and other illegal behavior in twelve metropolitan cities, including Detroit. Earlier this year, NFHA filed with the Department of Housing and Urban Development the first of what will be several complaints against real estate firms throughout the nation. As NFHA files complaints around the country, our goal is to work with local fair housing agencies to release this information to the public and to obtain affirmative relief for the communities that have been harmed.

In April, NFHA filed an administrative complaint against Coldwell Banker, Joe T. Lane Realty, located in the Atlanta metropolitan area. NFHA's evidence against this real estate office illustrates the responsibility that real estate professionals have had in creating and maintaining segregated communities. The testing and investigation NFHA conducted of Coldwell Banker, Joe T. Lane, reveals behavior that is a microcosm of the way segregation continues to occur in this country. This behavior clearly contributes to the segregated living patterns in this country.

As in the Atlanta case, the Detroit area Century 21 real estate office had agents who consistently and repeatedly showed potential White homebuyers homes in White communities and showed potential African American homebuyers homes in majority African American communities. In addition to illegal racial steering in violation of the Fair Housing Act, agents made negative comments to White homebuyers about African Americans and Detroit communities. It should be noted that two of more than a dozen agents who were investigated appear to have treated Black and White testers similarly by showing them homes in predominantly White communities near their places of employment. However, even one of those agents made disparaging remarks about the City of Detroit.

Racial steering in real estate is illegal. HUD's regulations implementing the federal Fair Housing Act state that:

It shall be unlawful, because of race, color, religion, sex, handicap, familial status, or national origin, to restrict or attempt to restrict the choices of a person by word or conduct in connection with seeking, negotiating for, buying or renting a dwelling so as to perpetuate, or tend to perpetuate, segregated housing patterns, or to discourage or obstruct choices in a community, neighborhood or development. (24 CFR Part 14, Section 100.70(a))

“The practice of steering perpetuates racial, ethnic and economic segregation throughout America,” said Shanna L. Smith, President and CEO of NFHA. “Real estate agents are better educated about fair housing than anyone in the housing industry, yet these agents flagrantly violated the law. We have substantial evidence, and we are going to file complaints with both the U.S. Department of Housing and Urban Development and the Michigan Department of Civil Rights. When informed of NFHA’s intentions to file a complaint with its office, the Department of Civil Rights issued the following statement:

"Because this is a pending investigation with our Department, we obviously cannot speak to the facts of this specific case," said Linda V. Parker, Director of the Michigan Department of Civil Rights. "However, we take allegations of racial steering and illegal housing discrimination very seriously, and intend to investigate this matter vigorously and thoroughly. Considering our deep racial and ethnic segregation, Michigan cannot and will not tolerate the willful actions of those who would break the law in order to perpetuate racism."

The National Association of Realtors provides a high level of training to its professionals on fair housing laws. In spite of this training, agents continue to discriminate. Evidence of this training is clear from NFHA’s testing and investigation. Licensed real estate professionals throughout the country have stated to testers that they know it is illegal to steer based on race or to choose homes for White families based on school districts. Despite these statements indicating a knowledge of the law, real estate professionals have then gone on to state that they will not show particular homes to White buyers based on schools or the presence of minorities in the community.