



## THEME: WE ARE STILL STANDING AND DETERMINED TO CREATE A BRIGHTER FUTURE

The mission of the Fair Housing Rights center in Southeastern Pennsylvania is to ensure equal access to housing opportunities for all persons.

On December 14, 2018, Angela Mclver, Chief Executive Officer of the Fair Housing Rights Center in Southeastern Pennsylvania, delivered the following report pertaining to social justice and related issues that surfaced in 2018.

ISSUE	FAIR HOUSING IMPLICATIONS	SOLUTIONS
<p><b>Redlining</b> – Reveal and The Center for Investigative Reporting released a two part report including: 1. Kept Out: For people of color, banks are shutting the door to homeownership and 2. Kept Out: Gentrification became low-income lending law’s unintended consequences.</p> <p>The analysis showed black applicants consistently were turned away more often than whites in 48 metro areas, Latinos in 25, Asians in nine, and Native Americans in three. In Washington, D.C., the nation’s capital, Reveal found all four groups were significantly more likely to be denied a home loan than whites.</p>	<p>Types of lending discrimination: 1. Refuse to make a mortgage loan or refinance a mortgage loan; 2. Refuse to provide information regarding loans; and 3. Discriminate in appraising property.</p> <p>On March 29, 2018, Councilman Kenyatta Johnson held a Special Hearing on Bank Redlining and Racial Disparities. PA Attorney General testified that his Office found allegations of mortgage redlining to be jurisdictional. FHRC’s CEO submitted 10 recommendations to Council.</p>	<ol style="list-style-type: none"> <li>1. If you believe you are the victim of unlawful housing discrimination, file a complaint with FHRC, HUD, PHRC, PA AG, or CFPB;</li> <li>2. Seek financial literacy</li> <li>3. Meet with a free housing counselor;</li> <li>4. Demand that elected officials stop using public dollars to enrich banks that redline against African Americans and Hispanic persons;</li> <li>5. PA AG Office of Consumer Protection is looking for bona fide complainants to represent;</li> <li>6. In 2019, look and listen out for “We Must Dismantle <b>Redlining</b> Project”</li> </ol>

<p>Reveal focused its story on Philadelphia because among the largest metro areas, it has one of the widest lending disparities: Prospective black borrowers were almost three times more likely to be denied a conventional home purchase loan as white applicants.</p> <p>(Source: Reveal)</p>		<p>workshops and ads on radio, billboards, and door hangers; and</p> <ol style="list-style-type: none"> <li>7. Demand and support local and state CRA legislation</li> </ol>
<p><b>Reverse Mortgage</b> – High rates of HECM borrowing are most common in the Point Breeze/Grays Ferry neighborhood, southwest of Center City. Rates are also high in West Philadelphia and in some neighborhoods in the north and south of the city.</p> <p>(Source: Reverse Mortgage Originations and Performance in Philadelphia, by Jaclene Begley, Lauren Lambie-Hanson, and Mike Witowski)</p>	<p>Lenders may be steering older African Americans, who qualify for HELOC loans, into reverse mortgage products. If so, there could be a disparate impact claim.</p>	<ol style="list-style-type: none"> <li>1. Seek financial literacy;</li> <li>2. Meet with a free Home Equity Conversion Mortgage (HECM) Counselor at 1-800-569-4287;</li> <li>3. Tell your heirs about your reverse mortgage; and</li> <li>4. Heirs of reverse mortgages should settle loans immediately</li> </ol>
<p><b>Credit</b> – The credit box is tightening. The financial services space has experienced non-stop change, particularly since the 2008 financial and foreclosure crises. Bank consolidations, tax reform, business realignments, GSE reform, CRA modernization, political will, regulatory transformations, and other issues will significantly impact any effort to expand credit access and implement necessary reforms.</p> <p>African Americans experience slowest recovery, losing all homeownership gains made over the last 50 years.</p>	<p>People of color, disabled persons, and other under-served groups, that are credit worthy consumers, may be excluded from participating in the markets.</p> <p>Lack of access to credit contributes to wealth gap and disparities.</p> <p>People that lost homes during the financial crisis may not qualify for rentals.</p> <p>Vicious cycle of financial distress contributes to lack of economic opportunity that prevent consumers from paying bills; inability to pay bills impacts credit history; and bad credit excludes</p>	<ol style="list-style-type: none"> <li>1. Seek financial literacy;</li> <li>2. Manage debt-to-income ratio;</li> <li>3. Call Congress at 1-202-224-3121 to demand CRA reform that maintains the spirit of the law and expands the definition of credit and what is reported by credit agencies; and</li> <li>4. Conduct a disparate impact analysis to determine if it is appropriate to file fair lending complaints against policy that has disparate impact</li> </ol>

<p>Where ever blacks live all gains in black homeownership since the Fair Housing Act have been erased since 2006.</p> <p>Thin credit files and poor credit ratings have contributed to the eviction crisis.</p> <p>(Source: National Fair Housing Alliance’s National Access to Credit Forum on Tues., April 3, 2018, in Washington, DC)</p>	<p>consumers from fair credit, jobs, and housing.</p>	
<p><b>Fintech</b> – Fintech is new technologies and financial services. It is not subject to CRA and HMDA.</p> <p>Largest lender is no longer banks as Quicken Loans makes largest loans.</p> <p>(Source: National Fair Housing Alliance’s National Access to Credit Forum on Tues., April 3, 2018, in Washington DC)</p>	<p>Financial companies use algorithms (a.k.a math-powered applications) that power the data economy. Some of these choices were no doubt made with the best intentions. Nevertheless, many of these models encoded human prejudice, misunderstanding, and bias into the software systems that increasingly managed our lives.</p> <p>(Source: Book, “Weapons of Math Destruction: How big data increases inequality and threatens democracy,” by Cathy O’Neil)</p>	<ol style="list-style-type: none"> <li>1. Seek financial literacy;</li> <li>2. Manage debt-to-income ratio;</li> <li>3. Read reports by Center for Responsible Lending and Federal Reserve Bank; and</li> <li>4. If you think you are the victim of lending discrimination, file a complaint with FHRC, HUD, PHRC, PA AG, or CFPB.</li> </ol>
<p><b>Meaning of “Big Data”</b> – Computer programs (a.k.a. algorithms) that speed through thousands of loan applications in a second or sort them into lists, with the most promising candidates on top. This not only saved time but was marked as fair and objective.</p> <p>(Source: Book, “Weapons of Math Destruction: How big data increases inequality and threatens democracy,” by Cathy O’Neil)</p>	<p>Computer applications tend to punish the poor and the oppressed in our society, while making the rich richer.</p> <p>“...the folks building WMDs routinely lack data for the behaviors they’re most interested in. So they substitute stand-in data, or proxies. They draw statistical correlations between a person’s zip code or language patterns and her potential to pay</p>	<ol style="list-style-type: none"> <li>1. Seek financial literacy;</li> <li>2. During periods of ANPR, submit comment letters to U.S. Treasury, HUD, and CFPB;</li> <li>3. Read book, “Weapons of Math Destruction: How big data increases inequality and threatens democracy,” by Cathy O’Neil; and</li> <li>4. Conduct a disparate impact analysis to determine if it is appropriate to</li> </ol>

	<p>back a loan or handle a job. These correlations are discriminatory, and some of them are illegal.”</p> <p>(Source: Book, “Weapons of Math Destruction: How big data increases inequality and threatens democracy,” by Cathy O’Neil)</p>	<p>file fair lending complaints against policy that has disparate impact</p>
<p><b>Student Loan Debt and Homeownership –</b> Colleges are packing student loans as part of financial aid award letter</p> <p>Total federal student loan borrowers: 44.5 million</p> <p>Total outstanding federal student loan debt: \$1.5 trillion</p> <p>Total outstanding private student loan debt: \$64.2 billion</p> <p>High levels of student loan debt may increase debt-to-income ratios or reduce credit scores, so some borrowers may lose access to other types of loans, such as mortgages and auto or credit card loans. There is evidence that student loan borrowers in their mid-20s who are saddled with greater student debt delay their first home purchases, in part because of reduced access to mortgages.</p> <p>Student loan debt may also delay the accumulation of savings for a down payment on a home, as cash savings and assets are</p>	<p>The burden of increasing student loan debt falls more heavily on black households than on white or Hispanic households.</p> <p>Borrowing rates are significantly higher among black students: 81 percent of black graduates from public colleges take out student loans, compared to less than two-thirds of white graduates.</p> <p>Difficulties with repayment also vary across race and ethnicity. Black and Hispanic education borrowers are much more likely than white borrowers to be behind on their loan repayment and are less likely to have repaid their loans. These patterns partly reflected differences in rates of degree completion and subsequent wages.</p> <p>(Source: Research Brief, November 2015 - Student Loan Debt is Most Common among Young Households but Increasing among Older Age Group)</p>	<ol style="list-style-type: none"> <li>1. Enroll in affordable school i.e., community college;</li> <li>2. Be clear about how to fund education;</li> <li>3. Select a profitable career;</li> <li>4. Save to avoid borrowing college debt; and</li> <li>5. Transfer wealth through estate planning</li> </ol>

<p>generally lower among young renters with student loans compared to those without them.</p> <p>(Sources: College Board “Trends in Student Aid”; Federal Student Aid, Q1 2018; Measure One Private Student Loan Report, Q3; and Federal Reserve Bank of New York, 2018)</p>		
<p><b>Shrinking Pool of Affordable Housing and Government Subsidies</b> – Housing that was once subsidized by HUD may soon be built and managed by the wealthy</p> <p>Opportunity Zones Act may be used by developers to build affordable housing and other resources in under-served communities.</p>	<p>The Fair Housing Act covers public and private housing.</p> <p>It is illegal discrimination to take any of the following actions because of race, color, religion, sex, disability, familial status, or national origin:</p> <ul style="list-style-type: none"> <li>• Refuse to rent or sell housing</li> <li>• Refuse to negotiate for housing</li> <li>• Otherwise make housing unavailable</li> <li>• Set different terms, conditions or privileges for sale or rental of a dwelling</li> <li>• Provide a person different housing services or facilities</li> <li>• Falsely deny that housing is available for inspection, sale or rental</li> <li>• Make, print or publish any notice, statement or advertisement with respect to the sale or rental of a</li> </ul>	<ol style="list-style-type: none"> <li>1. If you are a consumer, attend a free Consumer Fair Housing Workshop;</li> <li>2. If you are a housing provider, retain FHRC to conduct Fair Housing Compliance Training: Get caught complying with fair housing laws; and</li> <li>3. If you are a victim of housing discrimination, contact FHRC to determine if testing can corroborate your allegation of discrimination. If so, give FHRC permission to file your complaint with HUD or court.</li> </ol>

	<p>dwelling that indicates any preference, limitation or discrimination</p> <ul style="list-style-type: none"><li>• Impose different sales prices or rental charges for the sale or rental of a dwelling</li><li>• Use different qualification criteria or applications, or sale or rental standards or procedures, such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures or other requirements</li><li>• Evict a tenant or a tenant's guest</li><li>• Harass a person</li><li>• Fail or delay performance of maintenance or repairs</li><li>• Limit privileges, services or facilities of a dwelling</li><li>• Discourage the purchase or rental of a dwelling</li><li>• Assign a person to a particular building or neighborhood or section of a building or neighborhood</li><li>• For profit, persuade, or try to persuade, homeowners to sell their homes by suggesting that people of</li></ul>	
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	<p>a particular protected characteristic are about to move into the neighborhood (blockbusting)</p> <p>(Source: HUD.gov/FHEO)</p>	
<p><b>Meaning of Protected Classes</b> – Federal Fair Housing Act prohibits discrimination in housing because of: Race, Color, National Origin, Religion, Sex, Familial Status, and Disability.</p> <p>Pennsylvania Human Relations Act prohibits discrimination in housing on the bases of all the above and age.</p> <p>Philadelphia Fair Practices Ordinance prohibits discrimination in housing on the bases of all of the above and the following: Source of Income, Marital Status, Sexual Orientation, Gender Identity, and Domestic Violence.</p>	<p>42 U.S.C. §§3601-3619 or Title VIII of the Civil Rights Act of 1968 as amended in 1988.</p> <p>The 1968 law prohibited discriminatory practices in housing with regards to sale, rental, and financing based on race, religion, color, and national origin.</p> <p>The federal Fair Housing Act covers most housing. In very limited circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family houses sold or rented by the owner without the use of an agent, and housing operated by religious organizations and private clubs that limit occupancy to members.</p>	<ol style="list-style-type: none"> <li>1. If you are a consumer, attend a free Consumer Fair Housing Workshop;</li> <li>2. If you are a housing provider, retain FHRC to conduct Fair Housing Compliance Training: Get caught complying with fair housing laws; and</li> <li>3. If you are a victim of housing discrimination, contact FHRC to determine if testing can corroborate your allegation of discrimination. If so, give FHRC permission to file your complaint with HUD or court.</li> </ol>
<p><b>Intersection of Code Enforcement and Fair Housing</b> - Generally, code enforcement represents a jurisdiction in matters that directly protect the lives, health, and safety of residents and visitors. The federal Fair Housing Act has three components: 1. Protected classes; 2. Covered transactions; and Affirmatively Furthering Fair Housing.</p>	<p>Fair housing violations can occur through use of overly restrictive occupancy standards, failure to fulfill LEP requirements, and structural problems that exacerbate chronic or temporary medical conditions.</p>	<ol style="list-style-type: none"> <li>1. If you are a consumer, attend a free Consumer Fair Housing Workshop; and</li> <li>4. If you are a code enforcement employee, attend <i>2019 Symposium on the Intersection of Code Enforcement and Fair Housing</i> to avoid committing violations that might result in Voluntary Compliance Agreement with HUD</li> </ol>

<p><b>Harassment</b> – The federal Fair Housing Act covers harassment and sexual harassment.</p> <p>The Sexual Harassment in Housing Initiative is an effort to combat sexual harassment in housing led by the Civil Rights Division of the Department of Justice. The goal of the initiative is to address sexual harassment by landlords, property managers, maintenance workers, loan officers and other people who have control over housing.</p>	<p>Harassment can be racial/ethnic slurs, threats, menacing behavior, or acts of violence based upon a protected class.</p> <p>Sexual harassment in housing:</p> <ul style="list-style-type: none"> <li>• It can occur by physical conduct or through words</li> <li>• It can be done by property employees or residents</li> <li>• It can occur when there is a trade-off proposed, or where the harassment is so pervasive and severe that it becomes a term or condition of housing</li> </ul>	<ol style="list-style-type: none"> <li>1. If you are a consumer, attend a free Consumer Fair Housing Workshop;</li> <li>2. If you are a housing provider, retain FHRC to conduct Fair Housing Compliance Training: Get caught complying with fair housing laws; and</li> <li>3. If you are a victim of housing discrimination, contact FHRC to file your complaint with HUD or court.</li> </ol>
<p><b>Call To Action – Support Fair Housing, Housing Counseling, and Financial Literacy Education!</b></p> <p><b>U.S. government does not allocate enough funding to cover full-service, non-profit activities.</b></p> <p><b>Most government funding is required to go towards programs while administrative costs run between 5-10 percent.</b></p>	<p><b>Fair housing/fair lending violations that go unchecked harm individuals, groups, and communities.</b></p> <p><b>Unchecked housing discrimination is equivalent to Jim Crow.</b></p> <p><b>Protected classes cannot grow and sustain wealth in the presence of discrimination.</b></p> <p><b>Where you live determines:</b></p> <p><b>Wealth</b>  <b>Healthy environment</b>  <b>Education</b>  <b>Economic opportunities</b>  <b>Living wages</b>  <b>Healthcare</b></p>	<p><b>To assist the public, non-profits must fundraise to close the gap in funding.</b></p> <ol style="list-style-type: none"> <li>1. You can close the funding gap at your favorite non-profit(s), <b>including FHRC</b>, by donating cash, in-kind professional services, estate planning, and advocacy;</li> <li>2. <b>Bipartisan calls to Congress at 1-202-224-3121;</b></li> <li>3. <b>Send bipartisan letters to Congress; and</b></li> <li>4. <b>Schedule bipartisan visits with Congress at their local offices or go to Capitol Hill to educate or lobby for causes like Fair Housing, Housing Counseling, and Financial Literacy Education</b></li> </ol>

	<b>Retail</b> <b>Access to credit</b> <b>Healthy food</b> <b>Insurance rates</b> <b>Life expectancy...</b>	
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**Glossary of Terms**

ANPR – Advanced Notice of Proposed Rulemaking

CFPB – Consumer Financial Protection Bureau

CRA – Community Reinvestment Act

FHRC – Fair Housing Rights Center in Southeastern Pennsylvania

GSE – Government Sponsored Enterprise

HELOC – Home Equity Line of Credit

HMDA – Home Mortgage Disclosure Act

HUD – U.S. Department of Housing and Urban Development

PA AG – Pennsylvania Attorney General

PHRC – Pennsylvania Human Relations Commission

Redlining - Refers to a policy of excluding specific geographic areas from the consideration for investment. Redlining can occur in mortgage-lending are frequently inner-city areas with a large percentage of lower-income/minority households.