



FAIR HOUSING NEWS

A newsletter about fair housing, community development, & neighborhood quality of life

GREETINGS!

Welcome To This Edition Of *Fair Housing News*, Produced By The GBCHRB As A Public Service! Join the mailing list:

<mailto:wkladky@gbchr.org>. On <http://www.gbchr.org>, laws, links, and studies. View interesting Fair Housing interviews about insurance, lending, discrimination, affordable housing, and disability issues, etc., on the GBCHRB's YouTube Channel -

<http://www.youtube.com/user/wkladky1>! Or, check out <http://www.gbchr.org/2rad9899.htm> for radio shows on many other interesting topics about Fair Housing!

IN THIS ISSUE...

National News	1
Mortgage Lending News	3
HUD & DOJ Enforcement	4
Resources	5
Interesting Books	6
Rest in Peace	7



NATIONAL NEWS

Allstate Insurance Company Accused of Redlining in Delaware. The National Fair Housing Alliance (NFHA) filed a federal housing discrimination complaint against Allstate Insurance Company with HUD alleging that Allstate refuses to underwrite homeowners' insurance policies for homes that have flat roofs in the Wilmington, Delaware area. That policy was discovered by NFHA who contacted Allstate agencies for a homeowners' insurance quote. In their work, NFHA has found that the "no

flat roofs" policy has a racially disparate impact on African-American and others, who are significantly more likely to live in areas with many flat roofs. "Allstate should know better than to create underwriting policies that limit or deny homeowners insurance to communities of color. Allstate entered into a conciliation agreement with NFHA and HUD in 1997 to eliminate policies that denied replacement coverage for homes because of the age or value of the home," said Shanna L. Smith, President and CEO of the National Fair Housing Alliance. [Read the NFHA's December 21, 2012 Press Release.](#)

Bernanke: Minority Homebuyers Face Discrimination. The housing crisis hurt low-income communities and minorities more severely than other groups, according to Federal Reserve Chairman Ben Bernanke. "Lower-income and minority communities are often disproportionately affected by problems in the national economy, and the effects of the housing bust have followed that unfortunate pattern," Bernanke said at the Operation

HOPE Global Financial Dignity Summit in Atlanta. Bernanke noted that homeownership rates for African Americans, which dropped 5 percent over the last eight years, compared to 2 percent for other groups. Also, the gap in homeownership rates between white and black households has grown even wider. Blacks' homeownership rate was 44 percent and 74 percent for whites, according to the Census



Bureau. Mortgage lending also has tightened more for blacks and Hispanics than whites. Bernanke also underlined two types of discrimination that are hurting minority homeowners: "One is redlining, in which mortgage lenders discriminate against minority neighborhoods, and the other is pricing discrimination, in which lenders charge minorities higher loan prices than they would to comparable nonminority borrowers," Bernanke said. "We remain committed to vigorous enforcement of the nation's fair lending laws," he also said. [Read the November 15, 2012 CNN Article.](#)



HUD Reports A Marginal Percent Decline In Homelessness In 2012. Seven Percent Decline Found Among Veterans and Chronically Homeless.

The HUD point-in-time survey found that on a single night last January, 633,782 people were homeless in the nation, a scant 0.4 percent decline from the year before. The estimate is based on data reported by over 3,000 cities and counties. HUD ascribed the decline in veteran homelessness to its close collaboration with the U.S. Department of Veterans Affairs on a joint program called [HUD-VA Supportive Housing \(HUD-VASH\)](#), which has provided over 42,000 homeless veterans permanent supportive housing through HUD rental vouchers coupled with supportive services and case management by the VA. [Read HUD's 2012 Point-in-Time Estimates of Homelessness.](#) [Read HUD's December 10, 2012 Press Release.](#)

HUD Announces Agreement With Bank Of America (BOA) To Settle LGBT Discrimination Claim.

BOA agreed to pay \$7,500 and correct their illegal practices, in the settlement of a HUD complaint that the mortgage lender refused to provide financing to a lesbian couple. The agreement is the first enforcement action taken against a lender under HUD's recent rule ensuring that the Department's core housing programs be open to all eligible persons, regardless of sexual orientation, gender identity, or marital status. HUD claimed BOA refused a loan to a Florida couple trying to get an FHA-insured mortgage because of their sexual orientation and marital status. Because one partner was not employed, the applicant enlisted her partner's mother as a co-applicant on the loan. BOA denied the application because it considered the loan applicants not directly related because the applicant and her partner were not married. [Read the Agreement.](#) [Read HUD's January 2, 2013 Press Release.](#)



Three Georgia Counties File Lawsuit Claiming That HSBC Cost Them Millions By Aggressively Signing Minorities To Housing Loans That Were Likely To Fail.

Similar lawsuits resulted in settlements this year worth \$3 million each for Memphis (originally filed in 2009), Tennessee, and Baltimore (2008). In their suit, Fulton, DeKalb and Cobb counties - located in the Atlanta metro - argued that the housing foreclosure crisis was the "foreseeable and inevitable result" of big banks aggressively pushing irresponsible loans or loans destined to fail - targeted toward communities with high percentages of African American and Hispanic residents. (Washington Post, December 25, 2012: A17) [Read the Firstpost.com December 25, 2012 Article.](#)

Discrimination Complaint Filed Against Bank Of America For Foreclosure-Related Practices In Chicago, Milwaukee, And Indianapolis.

The National Fair Housing Alliance (NFHA), HOPE Fair Housing Center, South Suburban Housing Center, the Fair Housing Center of Central Indiana, and the Metropolitan Milwaukee Fair Housing Council



filed a federal housing discrimination complaint against Bank of America - as a result of an undercover investigation - alleging that BOA better maintains and markets foreclosed homes in White neighborhoods in those cities' African-American or Latino areas. This complaint is part of an amended complaint NFHA and seven member agencies filed earlier in December about how Bank of America differently maintained and marketed properties in White, African-American, and Latino neighborhoods across the U.S. [Read the October 23, 2012 NFHA Press Release.](#)

The Consumer Financial Protection Bureau Stops Two Alleged Mortgage Loan Modification Scams That Ripped-Off Thousands of Homeowners.

The operations stole over \$10 million by charging consumers for services that falsely promised to prevent foreclosures or renegotiate troubled mortgages. The Gordon Law Firm and the National Legal Help Center were targeted. The CFPB is focusing on halting loan modification operations that falsely promise relief for struggling homeowners by performing legal work or are a law firm. The Bureau also is attacking schemes claiming that they are endorsed by or represent the government. The CFPB found that the scams illegally charged large upfront fees, deceptively claimed to be affiliated with government agencies and/or programs, misrepresented that they would secure loan modifications for consumers, and instructed consumers to stop paying their mortgages and stop contacting their lenders. [Read the December 11, 2012 CFPB Press Release.](#) In 2011, SIGTARP, the CFPB, and the U.S. Department of the Treasury set up a task force to fight such scams exploiting HAMP and publicize the scams. The task force's Consumer Fraud Alert gives tips on identifying and avoiding mortgage modification scams. Read the Consumer Fraud Alert: www.SIGTARP.gov/documents/Consumer_Fraud_Alert.pdf.

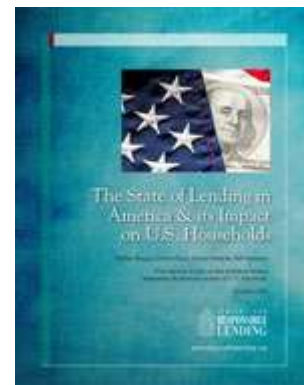


MORTGAGE LENDING NEWS

Big Banks Get Into Payday Loans. While insisting that their temporary, high-interest loans are not predatory, some major national banks have begun lending in that area. The loans have annual percentage rates that are more than 300 percent. Regions Bank, Wells Fargo, Fifth Third, and U.S. Bank offer the loans. The big banks payday loans are called direct-deposit advance, checking-account advance, ready advance, or early access. However, like payday loans, they have short pay-back periods and charge very high fees. One analyst

ominously commented: "We're going to see a wave of this," he says. "Now the federal government will have to figure out what to do when payday loans become one of the hottest products in banking -- which is what they're going to become." Meanwhile, the Consumer Federation of America, Americans for Financial Reform, and several other organizations asked the Comptroller of the Currency to downgrade Wells Fargo's CRA rating because of its new predatory payday products. [Read the Creditcards.com Article.](#) [Read the Consumer Federation of America's CRA Letter.](#)

Predatory Lending Still Prevalent, Study Finds. The Center for Responsible Lending study of consumer lending markets found that predatory lending and the results of abuses "continue to undermine American households trying to rebuild their finances after the recession." View the report: <http://rspnsb.li/state-of-lending>. The study examines changes in U.S. households' income, spending, debt, and wealth; as well as predatory practices in mortgage lending, credit cards, student loans, and auto loans. *The*



State of Lending in America and its Impact on U.S. Households (State of Lending) The CRL will release two *State of Lending* reports in early 2013, one on payday loans and other financial products trapping people in long-term debt, and one on abusive practices in debt collection and servicing. [Read the December 10, 2012 CRL Press Release.](#)



HUD & DOJ ENFORCEMENT

HUD and Houston Housing Authority (HHA) Settle Discrimination Complaint Involving Deaf Resident.

The agreement settles allegations that the Houston Housing Authority initially refused a Deaf resident's requests to have a sign language interpreter present at their eligibility hearing for HUD's Housing Choice Voucher (HCV) program. The resident - forced to use her daughter, who is a minor and is not fluent in American Sign Language, to interpret for her - lost her HCV program eligibility as a result. Under the settlement agreement, the HHA paid rental assistance back payments owed to the resident's landlord, notified its employees of sign language interpreters for individuals who are Deaf or hard of hearing, agreed to inform new HCV program participants of their right to request reasonable accommodations, and agreed not to retaliate. [Read HUD's December 4, 2012 Press Release.](#)

Justice Department Settles Lawsuit Against Sussex County, Delaware, for Blocking Affordable Housing.

The lawsuit stemmed from a complaint to HUD against Sussex County for race and national origin discrimination in violation of the Fair Housing Act. The county's planning and zoning commission denied land use approval for a 50-lot affordable housing subdivision proposed by Diamond State Community Land Trust, a Delaware affordable housing developer, in southwestern Sussex County near Laurel. The Sussex County Council later affirmed the denial of the proposed development. The proposal was opposed partly because it was assumed that the subdivision's residents would be Latino and African-American. The settlement requires that the County reconsider the affordable housing proposal using nondiscriminatory criteria, and does not obstruct or delay the subdivision's development. It also requires the County to pay \$750,000 to Diamond State Community Land Trust; to take affirmative steps to provide for future affordable housing, communicate its commitment to Fair Housing, and establish mechanisms to ensure affordable and fair housing in Sussex County; to formulate an affordable and fair housing marketing plan to encourage the development of housing opportunities; to appoint a fair housing compliance officer; and to give Fair Housing training to officials and staff. [Read the November 28, 2012 DOJ Press Release.](#)



Indiana Man Pleads Guilty to Religiously Motivated Attack on Toledo-Area Mosque.

A likely twenty-year jail sentence will result from his pleading guilty to hate crimes regarding the arson of the Islamic Center of Greater Toledo. According to court documents, the man entered the prayer room on the Center's second floor, poured gasoline on the prayer rug, and set it afire. He admitted that he did this because of hatred of Muslims. The man agreed to pay restitution and understands that the amount may exceed \$1 million due to the amount of fire and water damage sustained by the Islamic Center. [Read the December 19, 2012 DOJ Press Release.](#)

Justice Department Files Civil Rights Lawsuit Against the City of San Jacinto, California, Alleging Discrimination Against Persons with Disabilities.

The lawsuit - part of the Justice Department's continuing effort to enforce civil





rights laws that require states and municipalities to end discrimination against, and unnecessary segregation of, persons with disabilities - alleges that the city restricted the ability of group homes for people with disabilities to operate within its limits. Under the city's zoning code, group homes that are not required to be licensed by the state, as well as some licensed homes, are not permitted uses in any zoning district, and have restricted ability to operate in multi-family zones. The city targeted housing for persons with disabilities for enforcement actions, including a 2008 sweep where officials interrogated residents with disabilities from a prepared questionnaire with intrusive questions about persons with mental disabilities. The city has conditioned the grant of reasonable accommodations on the adoption of unwarranted limitations on the residents of homes for persons with disabilities. This lawsuit arose as a result of complaints filed with the U.S. Department of Housing and Urban Development (HUD) by the operators of group homes impacted by the city's activities. The suit seeks a court order preventing the city from enforcing its laws in a way that unlawfully discriminates on the basis of disability, as well as monetary damages to compensate victims and a civil penalty. [Read the November 13, 2012 DOJ Press Release.](#)

Justice Department and Consumer Financial Protection Bureau Pledge to Work Together to Protect Consumers from Credit Discrimination.

The agreement strengthens coordination on fair lending enforcement and avoids duplication of federal law enforcement efforts. Read the memorandum of understanding: http://files.consumerfinance.gov/f/201212_cfpb_doj-fair-lending-mou.pdf. The Justice Department's enforcement of fair lending laws is conducted by the Fair Lending Unit of the Housing and Civil Enforcement Section in the Civil Right Division. Since the Fair Lending Unit was established in 2010, it has filed or resolved 22 lending issues under the Fair Housing Act, the ECOA, and the Servicemembers Civil Relief Act. These settlements provided for over \$500 million in monetary relief for 300,000+ individual borrowers. The attorney general's annual reports to Congress on fair lending are available at www.justice.gov/crt/publications/. [Read the December 6, 2012 DOJ Press Release.](#)



RESOURCES

The Coalition For Responsible Lending Just Started A Very Helpful Page On The Banks That Are Making Predatory Payday Loans. It has articles and information about payday loans, an FDIC tie, maps, a petition, recent news, and more. [Go to the CRL Payday Loan Page.](#)

Looking for Fair Housing Laws and Cases? The National Fair Housing Alliance has a handy page that has the major precedent-setting cases, affirmatively-furthering Fair Housing links, and Fair Housing laws. [Go to the NFHA Page.](#) Of course, if you are interested in Baltimore and Maryland Fair Housing laws, the GBCHRB has a page of links to self-help guides to Fair Housing, research and studies, brochures, links, etc. [Go to the GBCHRB's Page.](#)



"Fair Housing Is As Easy as A-B-C! Let's Do It With Some Poetry!" You have to read this great poem by Nadeen Green (Senior Counsel with For Rent Media Solutions) about Fair Housing rights and obligations: <http://www.aoausa.com/magazine/?p=475>. Nadeen teaches and writes about Fair

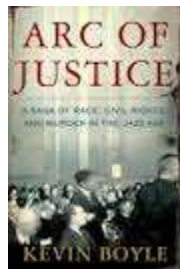
Housing, and she is the Fair Housing Lady at fairhousing.forrent.com.

Interested In Fair Housing? Community Development? Insurance? Discrimination? Then You Should Check Out the [GBCHRB's YouTube Channel!](#) You can watch informative interviews about insurance problems, discrimination, affordable housing, American Indians in Maryland, foreclosures, Baltimore racial history, Fair Housing laws, disability issues, mortgage lending, and more. Check out a radio show - <http://www.gbchrb.org/2rad9899.htm>. Let us know what you think of the shows, and if you have any ideas about ones that should be done.



The GBCHRB Distributes Free Fair Housing Brochures, Posters, and Guides for FREE. We have Fair Housing information, brochures, guides, & posters in English, Spanish, Korean, and Russian, as well as one specifically for people with disabilities. We also are distributing various brochures and guides about housing, life, and health insurance. Call 410.929.7640 or <mailto:wkladky@gbchrb.org>.

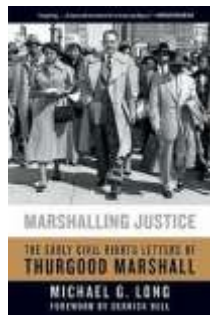
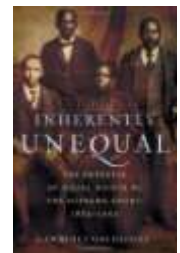
What Do You Think of This Newsletter? Is it good? Bad? How can we improve it? What issues should we cover more? Less? Any good ideas? Tips? Good jokes?! We want to hear from you! Just send any comment to the GBCHRB at <mailto:wkladky@gbchrb.org> or call us at 410.929.7640. Thanks!



INTERESTING BOOKS

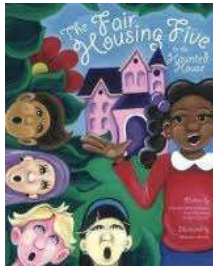
***Arc of Justice: A Saga of Race, Civil Rights, and Murder in the Jazz Age* by Kevin Boyle. Holt Paperbacks, 2005. 448 pages. \$17.00. paperback.** Have you read this one? I missed it awhile ago. This is a gripping report of a little-known civil rights incident. Along the way, there is a history of the migration of African-Americans in the 1920's to the North, to set the stage for Dr. Ossian Sweet, who moves with his young family to a previously all-white Detroit neighborhood. When he defends himself, the shooting death of a white man leads to a sensational murder trial, with Clarence Darrow, defending Sweet, his family and their associates.

***Inherently Unequal: The Betrayal of Equal Rights by the Supreme Court, 1865-1903* by Lawrence Goldstone. Walker & Company, 2012. 256 pages. \$17.00. paperback.** Interesting study of post-Civil War U.S. Supreme Court decisions, portrays the Justices as complex, conservative, and sometimes plainly racist. Especially intriguing are the analysis of the 1875 Civil Rights Act, which was never really enforced, and how politics and social Darwinism frustrated much progress for civil rights for African Americans.



***Marshalling Justice: The Early Civil Rights Letters of Thurgood Marshall* by Michael G. Long. Amistad, 2011. 448 pages. \$27.99. hardcover.** Fascinating collection of 1935-1957 letters by Marshall that also reads like a history of the civil rights movement. The letters go from Marshall's first civil rights case Murray v. Pearson, in 1936, through his attention to media misrepresentation, racial inequities in pay, military racism, prison abuse and lynching.

***Them: A Novel* by Nathan McCall. Washington Square Press, 2008. 368 pages. \$14.00. paperback.** Interesting story of black and white lives intersecting as a neighborhood becomes gentrified.



***The Fair Housing Five & the Haunted House* by Greater New Orleans Fair Housing Action Center. CreateSpace Independent Publishing Platform, 2010. 34 pages. \$17.95. paperback.** This is a children's book by the civil rights advocacy agency, with full-color illustrations by Sharika Mahdi-Neville. From the book's description: "Samaria and her friends like everything about their clubhouse except the haunted house across the street. But when Samaria and her mother need to find a place to live, they realize they are dealing with a much bigger problem than ghosts or monsters. Join the Fair Housing Five as they work together to take creative action against housing discrimination in their community." Order it from a local bookstore, Amazon, or go to their website to purchase it:

<http://fairhousingfive.org/>.



REST IN PEACE

Lawrence Guyot, Civil Rights Activist, 73. Guyot worked for the Student Nonviolent Coordinating Committee, and directed the Freedom Summer Project in Hattiesburg, Mississippi in 1964, and was beaten while in jail. He also was a leader of the Mississippi Freedom Democratic Party which challenged the credentials of the all-white state delegation to the 1964 Democratic National Convention. Guyot later worked in local government in Washington, D.C., and was an adviser to former mayor Marion Barry. Eleanor Holmes Norton, the D.C. Delegate to the U.S. House of Representatives, called Guyot an "unsung hero" of the Civil Rights Movement. (*Washington Post*, November 24, 2012: B1)
