

# Fair Housing

September 26, 2018

Chicago, IL



# HOPE Fair Housing Center



- Established in 1968.
- Headquartered in DuPage County.
- Civil rights organization.
- Non-profit 501(c)(3).
- Multiple programs designed to achieve equal opportunity in Northern and North Central Illinois, including public policy, education & training, complaint intake and investigation, case advocacy.



# Additional Resources – [www.cafha.net](http://www.cafha.net)

**Access Living** - Legal assistance, fair housing complaint intake and testing investigation services for people with disabilities.

Service Area: City of Chicago

Intake line: 312.640.2106 TTY 312.640.2102

[<https://www.accessliving.org/fair-housing/>]

**Chicago Lawyers' Committee for Civil Rights Under Law**

Service Area: City of Chicago [for individual intakes: contact CARPLS]

**John Marshall Fair Housing Legal Support Center** - Full service fair housing complaint intake and testing investigation services for all protected classes

Service Area: Entire Chicago metropolitan area

312.987.2397 [fairhousingcenter@jmls.edu](mailto:fairhousingcenter@jmls.edu) [<https://www.jmls.edu/clinics/fairhousing/>]

**Northside Community Resources** - Full service fair housing complaint intake and testing investigation services for all protected classes

Service Area: Entire Chicago metropolitan area

(773) 332-7722 Ext. 13 or 17 Email: [fairhousing@northsidecr.org](mailto:fairhousing@northsidecr.org)

[<http://www.northsidecommunityresources.org/northside-fair-housing-initiative-program/>]

**Open Communities** - Full service fair housing complaint intake and testing investigation services for all protected classes

Service Area: 16 north suburban communities, from Evanston to Highland Park and Lake Michigan to the I-294 [info@open-communities.org](mailto:info@open-communities.org)

(847) 501-5760

[<https://open-communities.org/fair-housing/>]

**Prairie State Legal Services** - Full service fair housing complaint intake and testing investigation services for all protected classes, Service Area: Lake, McHenry, Boone, Winnebago, Peoria, and Tazewell counties <http://pslegal.org/psls-apply-online.asp>

855-FHP-PSLS [855-347-7757]

[<https://www.pslegal.org/psls-apply-online.asp>]

**South Suburban Housing Center** - Full service fair housing complaint intake and testing investigation services for all protected classes

Service Area: South Cook and eastern Will counties Susan Reed, [smreed@prodigy.net](mailto:smreed@prodigy.net)

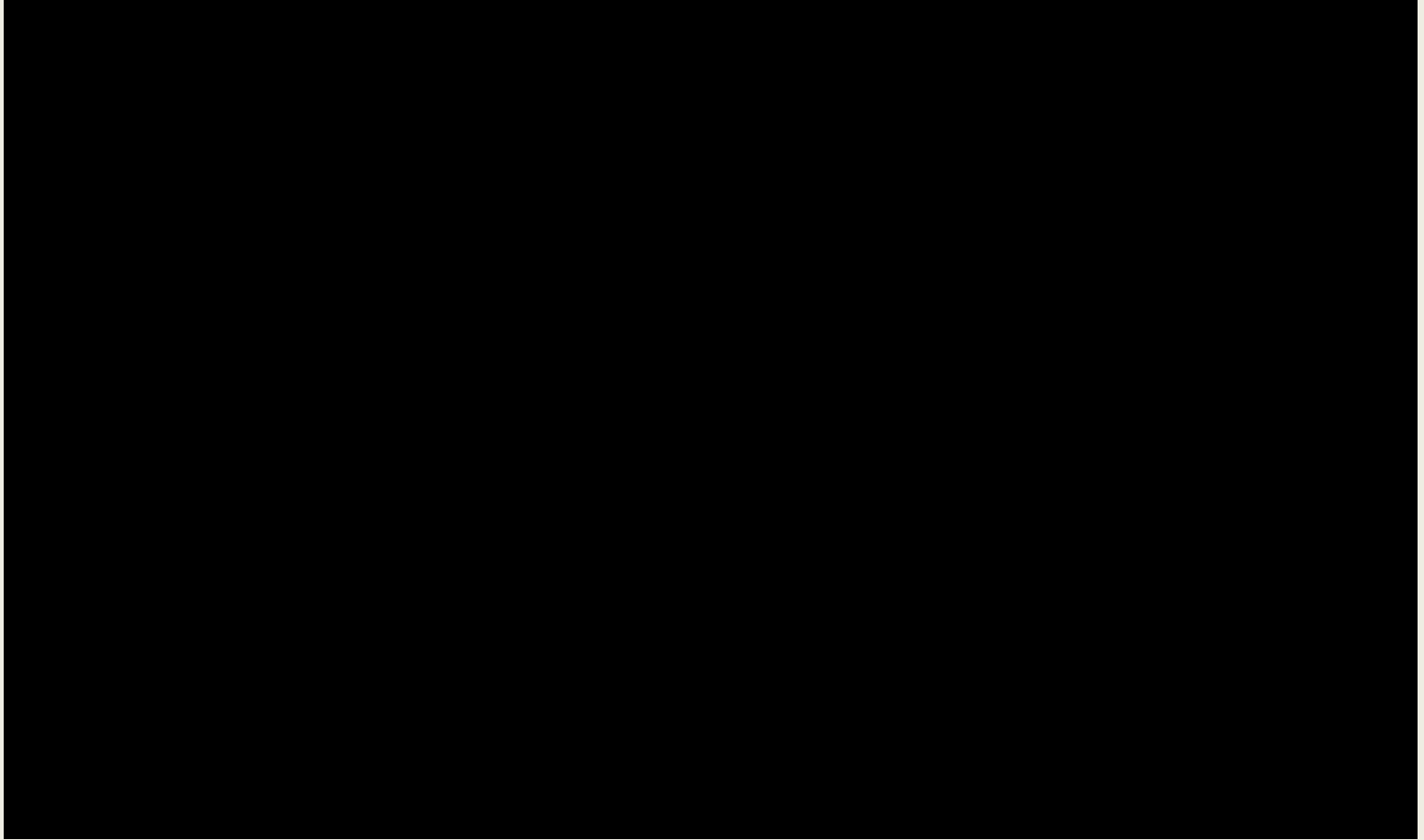
(708) 957-4674, x25

[<http://southsuburbanhousingcenter.org/how-recognize-housing-lending-discrimination/>]



A stronger Illinois begins at home

# Adam Ruins Everything

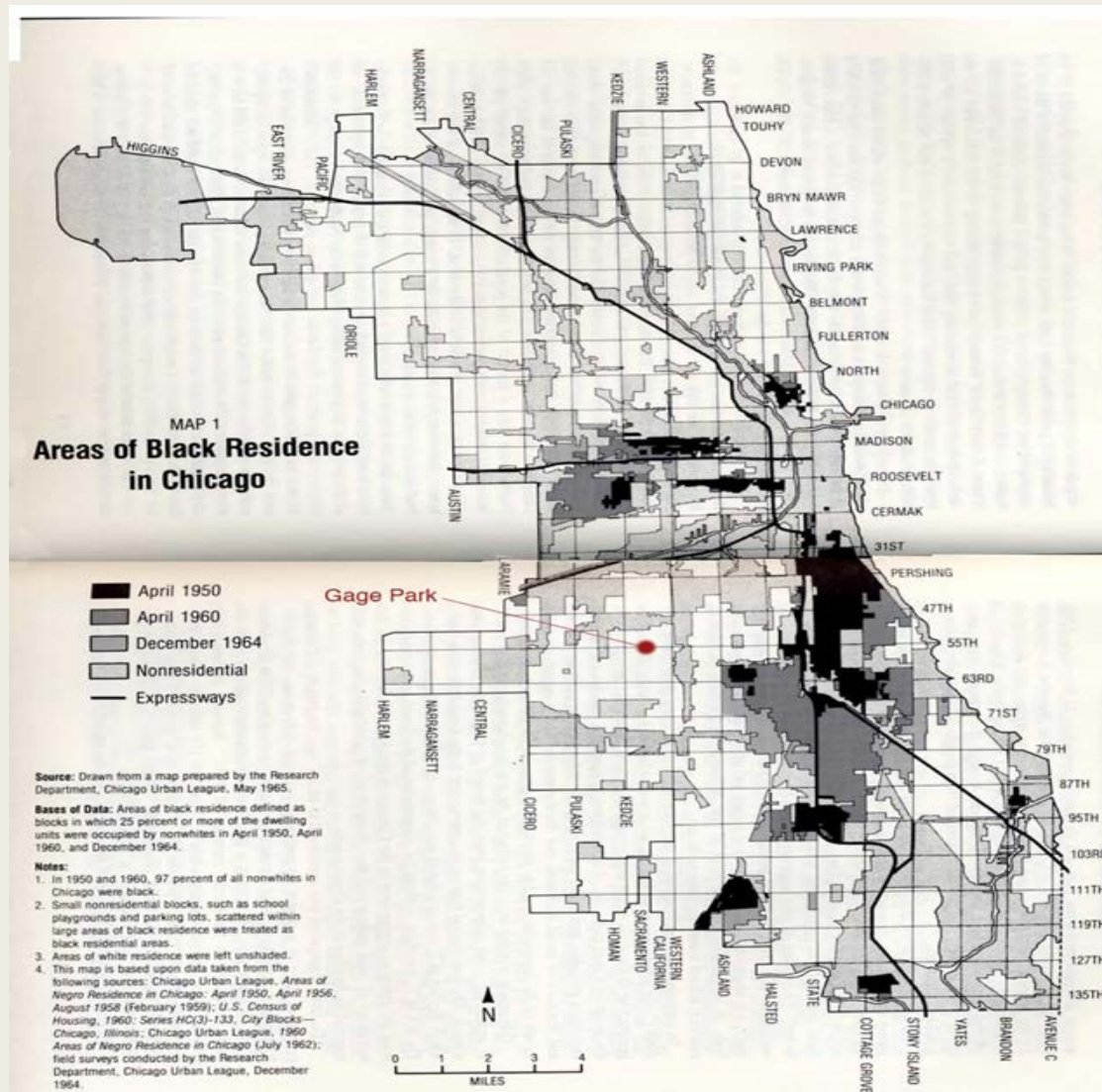


# Homer Hoyt, Chicago Economist (adopted nationally)

- Valuation of neighborhoods, in descending order, from the most desirable residents to the least:
- 1) English, Germans, Scotch, Irish, Scandinavians
- 2) North Italians
- 3) Bohemians or Czechs
- 4) Poles
- 5) Lithuanians
- 6) Greeks
- 7) Russians, Jews (lower class)
- 8) South Italians
- 9) Negroes
- 10) Mexicans

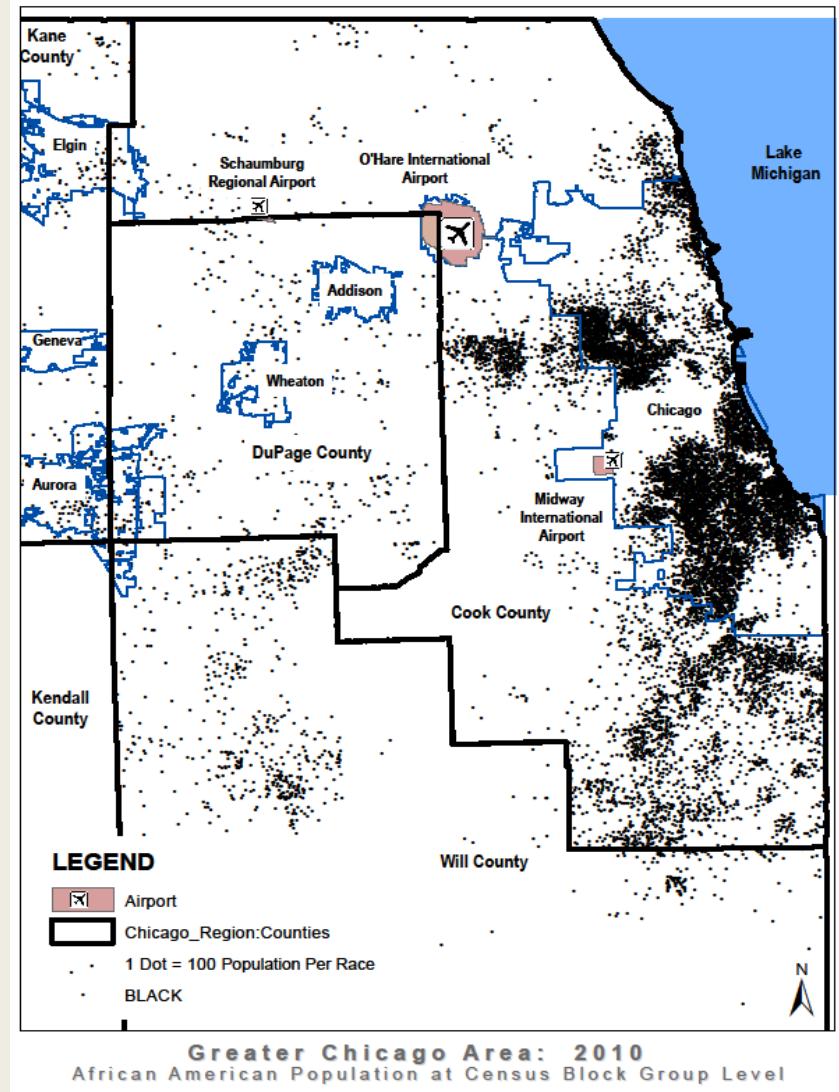
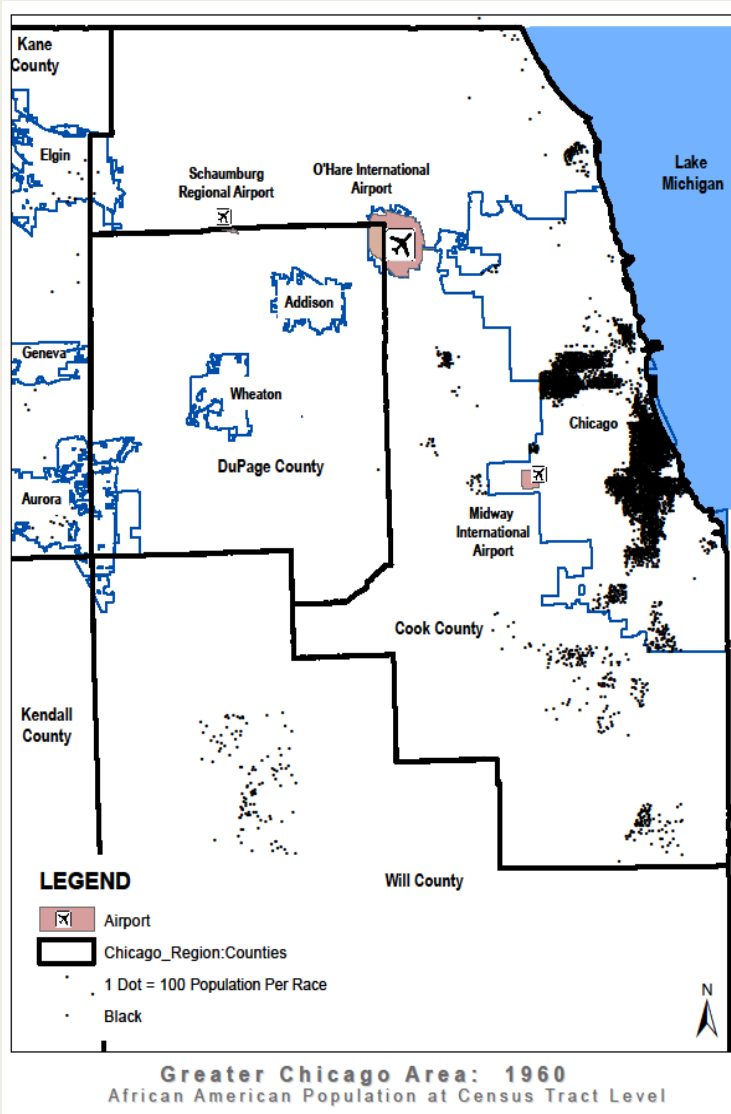
Calvin Bradford: *An Analysis of Underwriting and Appraisal Practices*

# Historic Chicago Segregation





# Fair Housing Now



■ Chicago segregation maps: 1960 and 2010

# The Federal Fair Housing Act

- Title VIII of the Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988 together are called the Fair Housing Act (FHA)
- The FHA prohibits housing discrimination based on certain protected classes

# The Seven Federally Protected Classes

- Race
- Color
- National Origin
- Religion
- Sex
- Handicap (Disability)
- Familial Status

# **Note on State and Locally Protected Classes**

- **Illinois Human Rights Act:**

- **Sexual Orientation**
- **Ancestry**
- **Marital Status**
- **Gender Identity**
- **Age (over 40)**
- **Order of protection status**
- **Military status**

**Depending on the jurisdiction, additional protected classes may include source of income.**



**Sometimes you  
have to read  
between the lines.**



PROCESSING  
OFFERS

# Offers to buy - Coaching

- Do you advise clients on price?
  - *Generally, homes are going for 5 - 10% under the asking price these days*
- Do you coach clients on other terms?
  - *The house is vacant, you might want to offer a sooner closing date?*

# Counter Offers

- Watch for unusual terms
  - *"As Is"*
  - *Entire Down Payment as Earnest \$\$ in 24 Hours*
  - *Seller new place not ready, can't negotiate*
  - *There are building code violations*
  - *No FHA or VA loans*
  - *The home is removed from the market*

# The Listing Experience

- Seller asks you NOT to show home to Blacks, Latinos, Muslims or other people protected by the law.
- After you show home an African American Latino or Middle Eastern family, seller questions you.

# The Listing Experience

- Under what circumstances would you turn down a listing?
- Under what circumstances would you refer a listing?
- What is your company policy?

# When the Offer Comes In...

- What do you say when the sellers want to know the race, national origin, number of kids, or religion of the buyer?
- Case Example: *Green v. Century 21 Briarcrest Realty et al.*

# The loan didn't go through!

- Let's say you have a buyer and the deal is all set. You know that they are qualified and should have no problem getting a loan. The loan doesn't get approved and you suspect it might be because of the buyer's race or the race of the neighborhood.
- What can you do?

# Prohibited discrimination in real estate-related transactions includes:

Failing or refusing to provide to *any person* information regarding the availability of loans or other financial assistance, application requirements, procedures or standards for the review and approval of loans or financial assistance, or providing information which is inaccurate or different from that provided others. 24 CFR 100.120(b)

# No loan?

- Let's say you referred the buyer to a fair housing organization and there is evidence that this lender is illegally discriminating based on race.
- Who can file a complaint?

# Cases: Disparate Impact Case

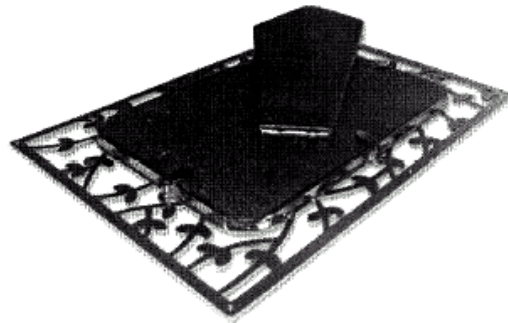
*U.S. v. Luther Burbank Savings (2012) (CA)*

- \$400,000 minimum loan amount policy
- Disparate impact on the basis of race and national origin
- Must invest in a \$1.1 million special financing program, partnerships with community-based organizations that provide credit and financial services
- Spend \$300,000 for outreach to potential customers and \$150,000 on consumer education
- Conduct fair lending training for employees
- Prohibited from establishing a similar minimum loan amount policy

# What if it's the appraisal?

- Let's say you've worked with a lender a lot and they tell you the loans aren't going through because the appraisals are coming back lower than the purchase price.
- Let's say you've done comparables and you think the appraisal is wrong.
- What do you do?

**“My real estate agent suggested I hide the picture of my family.”**



If appraisers or real estate agents use your race, color or beliefs to determine the appraised value or to influence the sale of your home... that's discrimination. You can fight back.

# Who Can Be Plaintiffs?

- Individuals
- Sellers
- Neighborhood Groups
- Fair Housing Organizations
- Testers
- City Government
- Community Development Corp.
- Civil Rights Groups
- Real Estate Agents/Companies



# Plaintiff Examples

*City of Evanston v. Baird & Warner*

*Gladstone, Realtors v. Village of Bellwood*

*South Suburban Housing Center v. South Suburban Board of Realtors*

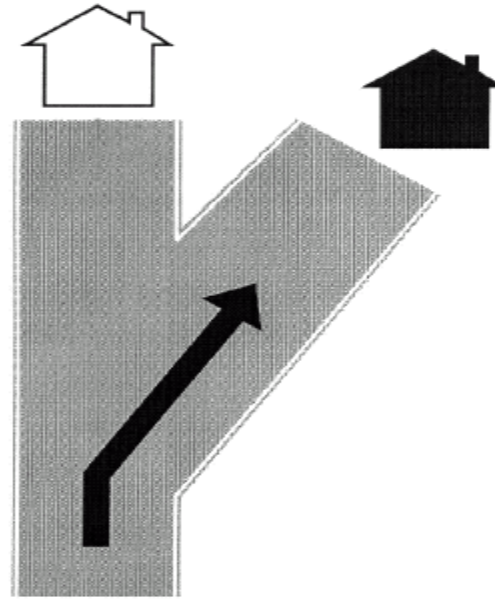
*City of Chicago v. Matchmaker*

*Heights Community Congress v. Rosenblatt Realty, Inc.*

*Coleman, HOME v. Havens Realty Corp*

*Green, Saunders v. Century 21 Briarcrest Realty*





**Are you being  
steered?**

# Equal Service Report

- The National Association of REALTORS® is committed to the provision of equal housing opportunities. [The Prospect Equal Service Report](#) is designed to incorporate basic prospect information, needs and wants, properties shown, and a record of service provided. This report will help you keep uniform records for all prospects. The form is a checklist of service to be provided; the level and type of service you provide will be determined by your firm and should be consistent.

PROPERTY SHOWN - please complete the other side of this form and attach additional information needed.

PROPERTY SHOWN

PART 1 - Did the prospect initially request information on or ask to view any specific property(s)? (Request made prior to assistance being provided to the prospect.)				
If yes, list address for each request, include street address, unit # and community. Use additional sheets if necessary.	Price	Was property shown?	If shown, buyer's comments indicating preferences. If not, why not.	Was any written information provided?

PART 2 - Where additional properties or areas offered to the prospect for general consideration? List areas or properties.	Was a computer generated or other list of properties provided? Describe and attach.
If none, explain.	

PART 3 - List properties shown or offered for consideration, including those selected by the prospect. Include street address, unit #, and community. Use additional sheets if necessary. In the list column indicate who selected the property - P - prospect, A - real estate agent.	Price	Was property shown?	If shown, Buyer's comments indicating preferences. If not, why not.	Was any written information provided?

DISPOSITION
Please list materials (such as the REALTOR® Home Guide) provided:

**NATIONAL ASSOCIATION OF REALTORS®**  
Prospect Follow-Up Service Report

Date: \_\_\_\_\_ Sales Associate: \_\_\_\_\_ Office: \_\_\_\_\_

**PROSPECT INFORMATION**

Name:			Name:		
Address:			Address:		
Home Phone:		Work Phone:	Home Phone:		Work Phone:
Owns New	Rents New	Must sell to purchase?	Owns New	Rents New	Must sell to purchase?
Race: *			Race: *		
*For Affirmative Marketing purposes, information on prospect race is sought to assist in the monitoring of the firm's commitment to equal professional service. Article 10 of the NATIONAL ASSOCIATION OF REALTORS® Code of Ethics states: REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, familial status, handicap, or national origin. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, familial status, handicap, or national origin.					
Prospect came to us as a result of Referral		Work In Ad (source)	Post Customer Ad	Sign Mail Solicitation	Sign Mail Solicitation

**PROSPECT NEEDS AND WANTS**

Prospect wishes to	purchase	rent	possession date
Prospect's price range preference	Purchase price range:	rent:	use from rentall:
Prospect requested locations:			
Type of home:	# Bedrooms:	# Baths:	Dining Room: Family:
Does prospect desire information regarding Housing for Older Persons?			
If so, is any member of prospect's household over 55?			

**SERVICE PROVIDED**

Was prospect asked questions regarding his/her finances? If yes, indicate information obtained.	Income	Down Payment	Other (specify):	
Was prospect offered information on financing options? Indicate any rate format or provide:	Conventional / fixed rate	Adjustable rate	FHA/VA	other (specify):
Did you financially qualify the prospect? Yes ___ No ___ not applicable ___ If yes, attach worksheets	Did you refer the prospect elsewhere for financial qualification? ___ Yes ___ No ___ not applicable ___ If yes, attach worksheets		If yes, Qualified Purchase Price:	

Contact dates and comments:  
 \_\_\_\_\_  
 \_\_\_\_\_

# Equal Service Report

- Documenting what properties clients ask for and what properties and areas that you show a client.

# Abiding by the law...

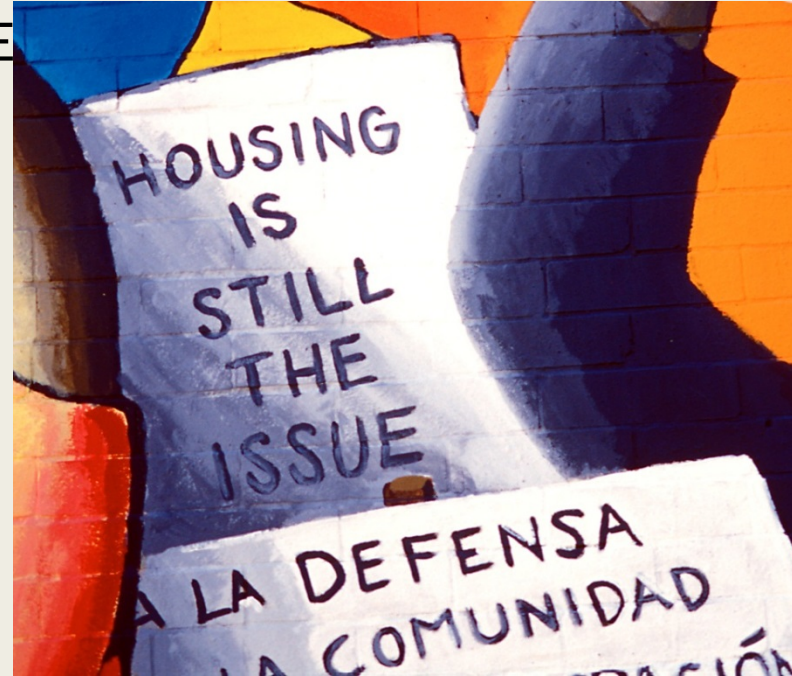
**GOOD AGENTS:** Many agents do follow the spirit and intent of the Fair Housing Act. These agents market homes in any neighborhood regardless of the race of the buyer. Sometimes those agents face a backlash from residents or sellers. Over the years, real estate agents have reported:

- *White sellers who won't consider offers from African Americans or even allow the home to be shown*
- *Sellers who reject offers from African Americans but accept lower offers or the same amount from Whites;*
- *Sellers who just take the house off the market rather than negotiate with an African American/Hispanic buyer.*
- *Insurance companies refusing coverage or providing inferior policies that adversely impact the sale.*

These agents may have standing to sue under fair housing laws.

# Report Discrimination to

1. Local Fair Housing Centers like HOPE Fair Housing Center can:
  - investigate what you say;
  - help file a HUD complaint;
  - help resolve your case;
  - help find a lawyer.
  - All our services are FREE. We're here to help!
2. HUD's Office of Fair Housing & Equal Opportunity.
3. Department of Justice Civil Rights Division.



Call (630) 690-6500  
or go online  
[www.HOPEfair.org](http://www.HOPEfair.org)

