

HUD Proposal Would Significantly Obstruct Enforcement of Long-Standing Civil Rights Protections

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HUD Plan Would Fuel Substantial Declines in Black Homeownership

The following is a statement by Odette Williamson, National Consumer Law Center (NCLC) attorney and director of NCLC's Racial Justice and Economic Opportunity Project.

Today, the U.S. Department of Housing and Urban Development's (HUD) issued a proposed rule that, if adopted, will perpetuate existing racial and economic segregation in America's neighborhoods, and undermine civil rights and fair housing laws.

Disparate impact claims under the Fair Housing Act protect consumers against lending policies and other types of practices that appear neutral on their face but in practice unfairly harm certain groups of people. The Fair Housing Act has been used effectively for five decades to challenge lending discrimination and the wealth-stripping practices that trap individuals and communities of color in a cycle of disinvestment and poverty. Even with this tool, after a decade of losses, the Black home ownership rate is currently at a historic low. Creating barriers to using this important tool will have a profoundly negative impact on homeownership, especially in communities of color historically targeted by predatory lenders.

"Discrimination based on race, sex, and other protected characteristics still exist. Indeed, the Consumer Financial Protection Bureau's (CFPB) Office of Fair Lending June 2019 report mentioned numerous ongoing investigations of mortgage lenders for activities ranging from redlining to pricing and steering disparities.

"The Trump Administration's attack on this critical tool undermines the Supreme Court's 2015 decision in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project (ICP)*, which reaffirmed that disparate impact claims are cognizable under the Fair Housing Act. Justice Anthony Kennedy highlighted the Fair Housing Act's role in dismantling historic patterns of residential segregation and discrimination and "continuing to move the Nation toward a more integrated society." HUD's new rule, erecting multiple barriers to using this important legal tool, undermines the spirit and intent of this important decision."

Public comments on the proposal can be submitted to HUD through October 18, 2019.