

Fair Housing Update – Sales & Lending

Indiana Consortium of State & Local Human Rights Agencies
Conference

November 2, 2022



Presenter Info

Amy Nelson, Executive Director

Pronouns: She/Her

Fair Housing Center of Central Indiana

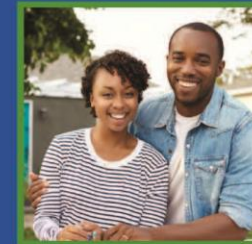
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Find us on Facebook, Instagram, Twitter,
LinkedIn, and follow us on YouTube!

THE FAIR HOUSING ACT PROTECTS ALL OF US.



The Fair Housing Act became law in 1968. It prohibits discrimination in the lease, sale, rental and financing of housing based on race, color, religion, national origin, sex, familial status or disability. If you believe you've experienced housing discrimination, the Act can help you.

Contact the Fair Housing Center of Central Indiana by calling 317-644-0673, emailing info@fhcci.org, or visiting www.fhcci.org.



A public service message from the U.S. Department of Housing and Urban Development in cooperation with the National Fair Housing Alliance.

The information today is not legal advice. For legal advice, please consult an attorney.


Materials provided for educational purposes only.

NOWHERE ON A RENTAL APPLICATION DOES IT SAY


YOU MUST BE A WHITE MAN

WITH NO KIDS

AND NO DISABILITIES.

 **FAIR HOUSING CENTER**
of CENTRAL INDIANA

(317) 644-0673
www.fhcci.org
For more information contact us at
info@fhcci.org

 **Education Fund**

 **NFHA**
National Fair Housing Alliance

The Federal Fair Housing Act protects your right to live where you want. In fact, in any decision regarding rental, sales, lending or homeowner's insurance, it is against the law to consider race, color, national origin, religion, sex, disability, or family status. If you think you've been denied housing, call us. **Fair housing. It's not an option. It's the law.**

NFHA 1-866-222-FAIR www.fairhousinglaw.org

Fair Housing Center of Central Indiana (FHCCI)

- The mission of the Fair Housing Center of Central Indiana (FHCCI) is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education, and outreach.
- Based in Indianapolis – service area of 24 Central Indiana counties, although we will go outside this area, if resources allow, due to lack of other nonprofit fair housing organizations in Indiana
- Have 4 main programs to advance fair housing: Advocacy, Education, Inclusive Communities, and Public Policy
- Do not have attorneys on staff and do not cover issues solely related to landlord/tenant disputes

"I'm sorry. I must have misplaced your paperwork..."



"Your credit report isn't back."

"Your income hasn't been verified yet."

Don't be fooled by excuses. What appears to be a delay could be discrimination. You can fight back.

If you believe you may be a victim of housing discrimination, contact HUD or your local Fair Housing Center:

Contact the Fair Housing Center of Central Indiana (FHCCI) by calling 317-644-0673, emailing info@fhcci.org, or visiting www.fhcci.org.

Your Choice. Your Right. Your Home.



A public service message from the U.S. Department of Housing and Urban Development in partnership with the National Fair Housing Alliance. The federal Fair Housing Act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability. For more information, visit www.hud.gov/fairhousing.



Federal Fair Housing Act

- Federal Fair Housing Act passed in **1968** as part of Civil Rights Act (Title VIII) – Made it unlawful to discriminate in housing transactions due to **race, color, national origin, and religion**
- In **1974**, Act amended to protect due to **gender/sex**
- In **1988**, Act amended to protect **families with children and people with disabilities**
- From **2012-2021**, regulations and guidance, SCOTUS, and an Executive Order appear to indicate **sexual orientation, gender identity, gender expression, and transgender** being part of the sex/gender protection
- Court cases have confirmed that zoning and housing related services (insurance, etc.) are also covered

Federal Protections Defined

- **Race** includes all races - African-American, American Indian, Caucasian, etc.
- **Color** refers to the color of one's skin
- **National Origin** means the country where one was born
- **Religion** includes one's membership in an organized religious group
- **Gender (Sex)** includes discrimination due to being male, female, for being transgender, or the gender identity, gender expression, and/or the sexual orientation of the person or a family member
- **Disability (Handicap)** includes physical, cognitive, intellectual, and mental impairments if impairment substantially limits a major life function
- **Familial Status** is the presence of one or more children under the age of 18 in the household - it includes being a parent, step-parent, adoptive parent, guardian, foster parent or custodian of a minor child, as well as any person who is pregnant or who is in the process of acquiring legal custody of a child under 18

Indiana Fair Housing Act

- Protects all the federal protections and also provides protection due to ancestry

Note: Some localities may have additional protections...



Other Laws of Interest

- **Civil Rights Act:** Unlawful to discriminate due to race or color (includes those otherwise exempt under federal Fair Housing Act)
 - Indiana Civil Rights Law has similar provisions
- **Home Mortgage Disclosure Act:** Requires financial institutions to maintain and annually disclose data about home purchases, home purchase pre-approvals, home improvement, and refinance applications
- **Equal Credit Opportunity Act:** Unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, religion, national origin, sex, **marital status**, or **age**
- **Indiana Home Loan Practices Act:** The Act imposes restrictions on home loans and high cost home loans and the lenders and brokers that originate such loans. In addition, the Act addresses certain practices that arise during the servicing of home loans, such as requiring each payment on a home loan to be posted on the same business day it is received.

- **Truth in Lending Act (TILA):** Protects consumers against inaccurate and unfair credit billing and credit card practices. It requires lenders to provide consumers with loan cost information so that they can comparison shop for certain types of loans.
 - TILA gives borrowers the right to back out of certain kinds of loans within a three-day window.
 - On [high priced mortgage loans], TILA requires:
 - Escrow for property taxes and insurance
 - Appraisal
 - Required Disclosure
 - Information on Housing Counseling Programs

- **Community Reinvestment Act (CRA):** Designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low- to moderate-income neighborhoods
 - The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically by one of the federal bank regulatory agencies (agencies).
 - In order to receive CRA credit a bank's activities must have one of the following as its primary purpose: Affordable housing, Community services targeted to low- and moderate income individuals, Activities that promote economic development, Activities that revitalize or stabilize LMI geographies
- Visit the [FHCCI Lending Page](#) for more info!

The State of Homeownership

It's okay to consider color



...as long as it's green.

Judging you by what you look like instead of your qualifications is discrimination. What matters is your ability to pay for housing. It's illegal to discriminate because of race, color, religion, sex, national origin, disability or familial status in the sale or rental of housing.

If you believe you may be a victim of housing discrimination, contact HUD or your local Fair Housing Center:

Contact the Fair Housing Center of Central Indiana (FHCCI) by calling 317-644-0673, emailing info@fhcci.org, or visiting www.fhcci.org.

Your Choice. Your Right. Your Home.

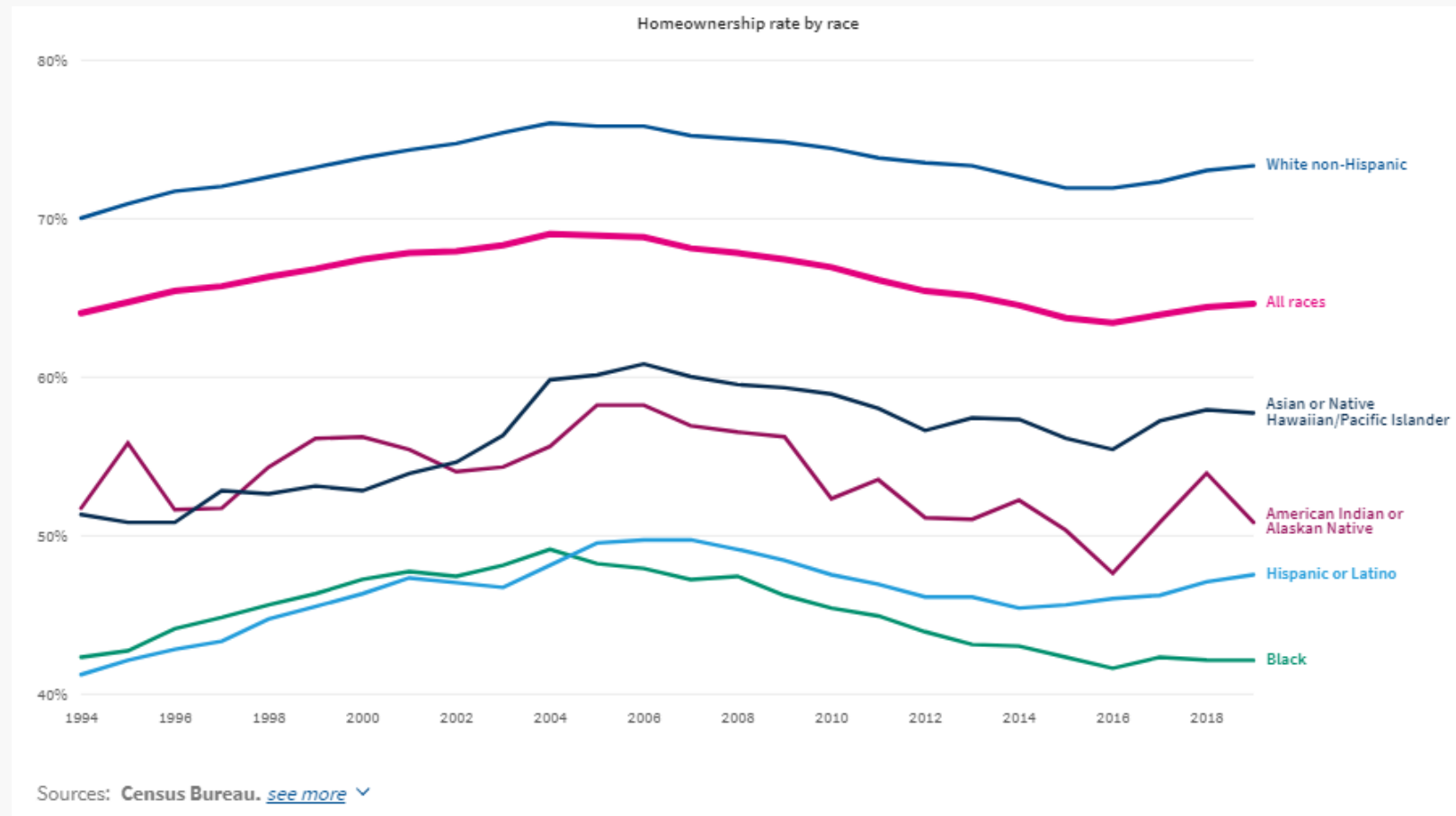


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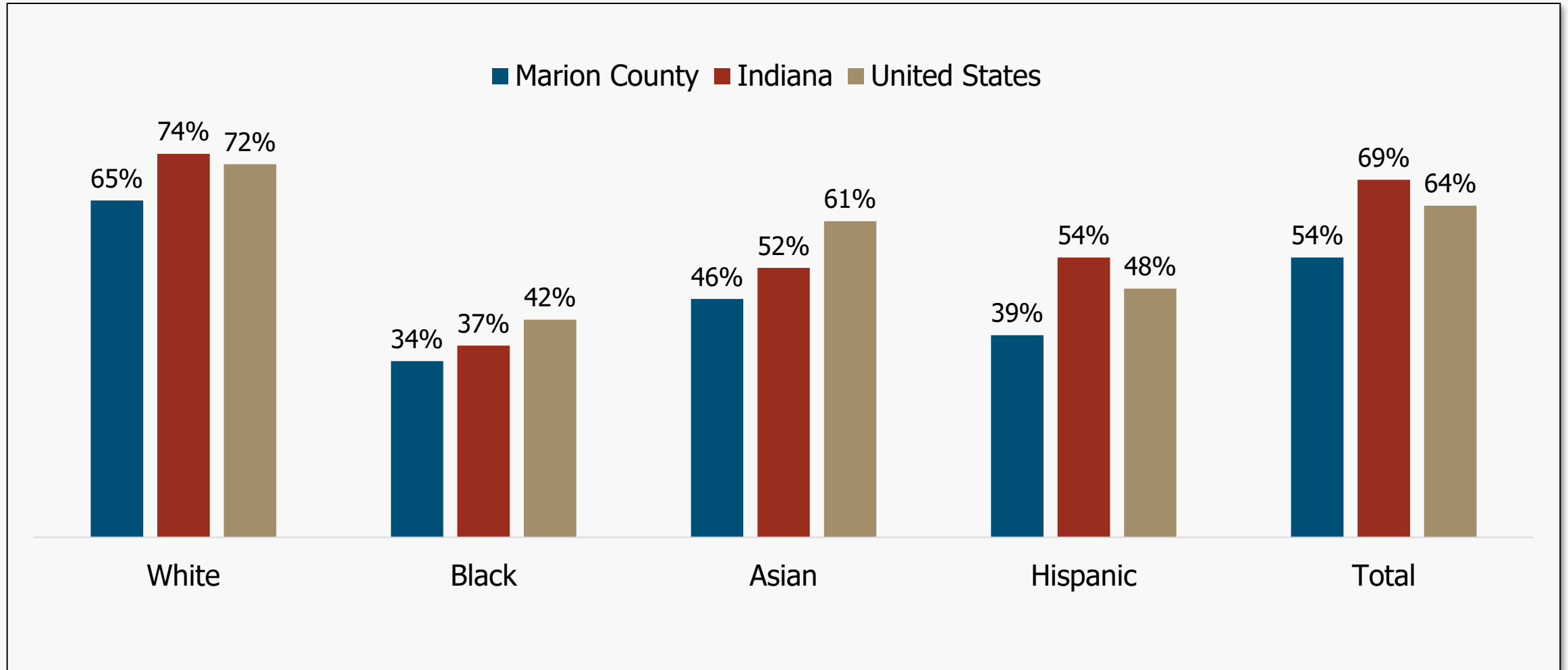


U.S. Homeownership Rates (2019)

- National = 64.6%
- Whites = 73.3%
- Blacks/African American = 42.1%
- Hispanics/Latinos = 47.5%
- Asians = 57.7%
- American Indian/Alaskan Native 50.8%



US v. IN v. MC Homeownership Rates (2019)



Traditional Sales Cases



Ra-Amari v. EXP Realty, et al (TX)

- A Black family is suining two real estate brokerages and a real estate agent after the agent refused to sell a unit to them in a new condominium building.
- In a recording, an agent can be heard saying she cannot sell to the three real estate investors — a husband, wife and the wife's sister — because “we won't be able to get along with each other well.” The family had offered to pay the asking price in cash.
- The lawsuit also includes a flyer advertising the building as an “option for Chinese and Asian communities in Houston” where people could live “a safe and simple Asian life” to make the argument that the refusal was made on the basis of race.
- The agent told the family she was the owner and it was up to her to determine who could live at Grand West, the suit says. She also said all the owners “were personal friends and knew each other.”
- Pending.

Black family says Katy real estate agent denied them condos over race: ‘They wouldn’t get along’



R.A. Schuetz, Staff writer

Sep. 16, 2022 | Updated: Sep. 20, 2022 8:42 a.m.



Misty and James Da-Amari in front of their current home in Katy. Friday, Sept. 16, 2022. Misty and James Da-Amari are suing

Franklin v. Beaudin, Ikens, et al (MI)

- An interracial couple sued two real estate agents and two real estate firms after the couple said agents dissuaded them from buying a house on a Michigan lake due to race.
- The suit alleges that in September 2020, after years of visiting friends on Zukey Lake, the couple decided to buy a lake house there. They found a home listed for \$350,000 and called the listed agent's office for a viewing.
- The tour lasted about a half-hour, and the couple alleges the agent (Ikens) "demonstrated no interest in the Franklins as potential buyers," allegedly never inquiring about their jobs or their qualifications to buy the home or gauging their interest.

- Still, the Franklins told Ikens they would make an offer on the house “immediately” and proceeded with a \$300,000 offer noting it was a first offer.
- However, Ikens informed the Franklins that unless the Franklins were willing to offer the asking price of \$350,000, that the real estate firm would continue to show the house all weekend and the Franklins’ offer would be ignored by the sellers.
- Then, more conditions were attached: It had to be a cash offer and the home had to be bought as-is, the suit claims. Those conditions were false and known to be false when the agent made them, and were made to discourage the couple from moving forward in the buying process, they Franklins allege.
- The Franklins withdrew their offer. The home later was sold to a White man for the same \$300,000 the Franklins had offered, according to the lawsuit, and it was mortgage-financed, not a cash deal. The potential buyer was allowed to have an inspection rather than buy the home as-is, they claim.
- Motion to dismiss denied in June 2021. [Confidential settlement](#) reached in 2022.

Brown v. Hardwick (MA)

- In September 2020, the Browns filed a lawsuit alleging discrimination in sales. The Browns, a Black married couple, alleged that they (and their real estate agent) had viewed a property for sale by the Hardwick's. The Browns immediately submitted a bona fide offer to purchase the property for a price of \$550,000 after viewing the property. A second couple, also made an offer the same day.
- Through their agent, the Hardwicks responded to both possible buyers with a purchase price of \$569,000 with accompanying specific contingencies: a required deposit of \$25,000, and an agreement to close on the property on or before July 15, 2020. The Browns unconditionally accepted the counteroffer.

- The Hardwick's agent informed the Browns' agent that their offer had been accepted. The parties then moved to the drafting of a Purchase and Sales Agreement ("PSA"). A copy of the PSA, reflecting the agreed upon terms, was signed by the Browns and forwarded through the agents to the Hardicks for their review and signature. The PSA represented the first time the names of the buyers (Todd Brown and Ebony-Clinton Brown) was made known to the Hardicks.
- Mrs. Hardick then asked her agent if one of the buyers was "Black," due to the buyer's first name, "Ebony." Her agent responded "yes." Upon learning of the race of Mrs. Brown, Mrs. Hardick told her agent that she was refusing to sell the property to an African American and was backing out of the deal.
- The following day, the Hardicks sent a text message to their agent purporting to withdraw the listing, and thereafter, upon receipt of an executed withdrawal of Listing Form signed by the Hardicks, their agent delisted the property.

- The Good: In response, and according to an affidavit submitted by the Hardicks' agent, the agent informed the Hardicks that she could not continue discussions with them due to their alleged refusal to sell their home to an African American couple, and immediately reported the conversation to her broker. The agent subsequently withdrew the listing upon the Hardicks' request and ceased all further communication with the Hardicks.
- The Bad: The Browns were discriminated against.
- Case remains pending...

HUD v. LLB&B (AL)

- A man alleged that a real estate agent with whom he inquired about the sale of a condominium inadvertently left a voicemail with him indicating she did not wish to deal with him because he is African-American.
- In the message, the real estate agent, referring to the white neighbors who lived near the condominium, allegedly stated, “Those people will panic when they see a black person drive up and look at it.” She added: “I called him back. He didn't answer so that was good! If I didn’t call him back he could sue me for prejudice.”
- The man shared the recording with a HUD investigator assigned to case – HUD ruled discrimination had occurred.
- Owners of LLB&B terminated the agent’s employment. Settlement reached in 2013 for \$29,000 and training.

Blockbusting Case

If you feel you've
been a victim of
housing
discrimination due to
your sexual
orientation or familial
status, please contact
the FHCCI:

Phone: 317-644-0673

Email: info@fhcci.org

Web: www.fhcci.org



District of Columbia v. Polygon Holdings (DC)

- DC AG alleged that Polygon Holdings had deployed discriminatory practices known as “blockbusting” – methods rarely used in the last half-century due to their obviously prejudicial nature – to force a District resident to sell her home so they could flip it for profit.
- Blockbusting refers to the practice of real estate speculators encouraging and manipulating real or perceived prejudice in prospective buyers in order to reduce the market value of a desired property. In the District, blockbusting has a long history of being used to stoke fears against Black residents who sought to live in integrated neighborhoods following the outlawing of previously-legal housing segregation.
- The Office of the Attorney General (OAG) alleged that after purchasing one-half of a duplex in July, 2020, Polygon intended to purchase the other half of the duplex on the adjoining property to convert the entire property into condominiums. After the owner of the second property refused to sell, Polygon placed a sign on the first property which stated: “SECTION 8 & STUDENT ACCOMODATION [sic] COMING SOON.” This sign was in place until at least November 3, 2020.
- The sign was put in place to affect the sale or purchase of the neighboring property by playing into prejudices that prospective buyers may have against housing voucher holders and students, thus reducing the perceived value of that property so the homeowner would be forced to sell to Polygon.
- Polygon will pay \$300,000 to settle allegations, conduct fair housing training, and other relief.

Traditional Lending/ Redlining Cases

“We don’t
make loans
in black
neighborhoods.”

YOU WON’T HEAR THAT. WHAT YOU MAY HEAR IS:

“Your debt to income ratios are too high.”
“The appraisal said ‘inadequate collateral.’ ”
“You need more money down.”

Anytime you’re denied a home loan or the terms and conditions are changed, you could be a victim of mortgage lending discrimination.

If you believe you may be a victim of housing discrimination,
contact HUD or your local Fair Housing Center:

Contact the Fair Housing Center of Central Indiana by
calling **317-644-0673**, emailing info@fhcci.org,
or visiting www.fhcci.org.

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U.S. v. Trident Mortgage Company (PA)

- DOJ, the Consumer Financial Protection Bureau (CFPB), and the Attorneys General of Pennsylvania, New Jersey, and Delaware resolved allegations that Trident Mortgage Company (Trident), which is owned by Berkshire Hathaway Inc., engaged in a pattern or practice of lending discrimination by “redlining” in the Philadelphia metropolitan area, including neighborhoods in Philadelphia, Camden, and Wilmington.
- **This resolution is the first redlining settlement that the DOJ has reached with a non-bank lender and the second largest redlining settlement in the department’s history.**
- The complaint alleged that from at least 2015 to 2019, Trident failed to provide mortgage lending services to neighborhoods of color in the Philadelphia metropolitan area, that its offices were concentrated in majority-white neighborhoods, and that its loan officers did not serve the credit needs of neighborhoods of color.
- The complaint also alleged that loan officers and other employees sent and received work e-mails containing racial slurs and referring to communities of color as “ghetto.”

- Under the consent order, Trident agreed to invest over \$20 million to increase credit opportunities in neighborhoods of color in the Philadelphia metropolitan area. Trident will invest at least: \$18.4 million in a loan subsidy fund for residents of neighborhoods of color in the Philadelphia metropolitan area; \$750,000 for development of community partnerships to provide services that increase access to residential mortgage credit; \$875,000 for advertising and outreach; and \$375,000 for consumer financial education.
- Because Trident no longer operates a lending business, it will contract with another lender to provide loan subsidies and services to the “redlined” communities. Trident will ensure that the lender employs at least four mortgage loan officers dedicated to serving neighborhoods of color in and around Philadelphia, Camden, and Wilmington; maintains at least four office locations in those neighborhoods; and employs a full-time manager of community lending who will oversee the continued development of lending in neighborhoods of color in the Philadelphia metropolitan area. Trident will also pay a civil money penalty of \$4 million.
- Trident also entered into agreements with Pennsylvania, New Jersey, and Delaware. Those agreements resolve allegations against both Trident and Fox & Roach LP, a real estate affiliate of Trident. In addition to the settlement terms included in the federal consent order, under the agreements with Pennsylvania and New Jersey, Trident will reimburse the states for costs incurred in conducting the investigations. Fox & Roach will also invest \$150,000 in marketing to communities of color in the Philadelphia metropolitan area.

U.S. v. Lakeland Bank (NJ)

- DOJ complaint alleged that from at least 2015 to 2021, Lakeland failed to provide mortgage lending services to Black and Hispanic neighborhoods in the Newark, New Jersey, metropolitan area, that all its branches were located in majority-white neighborhoods and that its loan officers did not serve the credit needs of Black and Hispanic neighborhoods in and around Newark.
- Under the consent order, Lakeland agreed to:
 - Invest at least \$12 million in a loan subsidy fund for residents of Black and Hispanic neighborhoods in the Newark area; \$750,000 for advertising, outreach and consumer education; and \$400,000 for development of community partnerships to provide services that increase access to residential mortgage credit.
 - Open two new branches in neighborhoods of color, including at least one in the city of Newark; ensure at least four mortgage loan officers are dedicated to serving all neighborhoods in and around Newark; and employ a full-time Community Development Officer who will oversee the continued development of lending in neighborhoods of color in the Newark area.
 - Maintain an expanded Community Reinvestment Act Assessment Area that includes Essex, Somerset and Union counties.

U.S. v. Evolve Bank & Trust (TN)

- DOJ alleged that Evolve Bank violated the Fair Housing Act and the Equal Credit Opportunity Act, which prohibit financial institutions from discriminating on the basis of race, sex or national origin in their mortgage lending services.
- Specifically, the complaint alleged that, from at least 2014 through 2019, Evolve Bank's loan pricing practices resulted in Black, Hispanic and female borrowers paying more in the "discretionary pricing" components of home loans than white or male borrowers for reasons unrelated to their creditworthiness. "Discretionary pricing" means the parts of a loan price that are left up to Evolve's loan officers and managers, including fees, charges or rate discounts that don't relate to the borrowers' credit qualifications or loan characteristics.
- Evolve Bank maintains mortgage lending offices and provides mortgage lending services in 15 states throughout the country.
- Under [DOJ's 2022 settlement](#), Evolve Bank will establish a settlement fund of \$1.3 million to compensate affected borrowers and also pay a \$50,000 civil penalty.

U.S. v. Trustmark (TN)

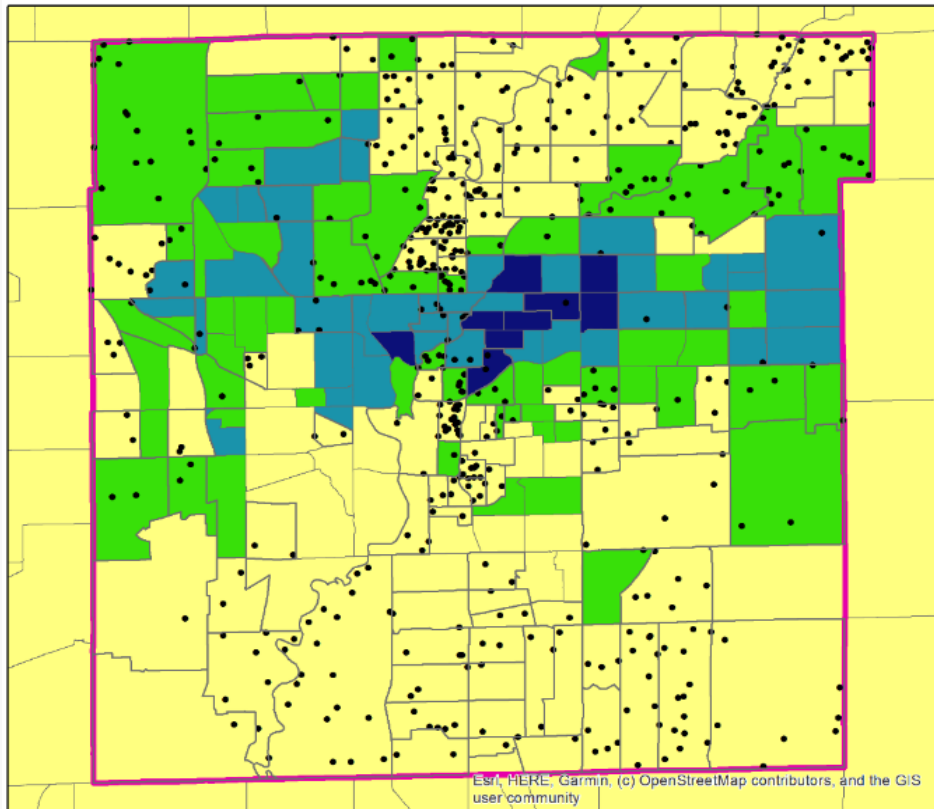
- Complaint alleges that, from 2014 to 2018, Trustmark engaged in unlawful redlining in Memphis by avoiding predominantly Black and Hispanic neighborhoods because of the race, color, and national origin of the people living in, or seeking credit for properties in, those neighborhoods.
- The complaint also alleges that Trustmark's branches were concentrated in majority-white neighborhoods, that the bank's loan officers did not serve the credit needs of majority-Black and Hispanic neighborhoods, that Trustmark's outreach and marketing avoided those neighborhoods, and that Trustmark's internal fair-lending policies and procedures were inadequate to ensure that the bank provided equal access to credit to communities of color.
- DOJ opened its investigation after one of Trustmark's regulators, the OCC, referred the matter. Trustmark has fully cooperated in this investigation and amicably resolved the allegations.

- Under the 2021 consent order:
 - Trustmark will invest \$3.85 million in a loan subsidy fund to increase credit opportunities for current and future residents of predominantly Black and Hispanic neighborhoods in the Memphis area; dedicate at least four mortgage loan officers or community lending specialists to these neighborhoods; and open a loan production office in a majority-Black and Hispanic neighborhood in Memphis.
 - Trustmark will devote \$400,000 to developing community partnerships to provide services to residents of majority-Black and Hispanic neighborhoods in Memphis that increase access to residential mortgage credit.
 - Trustmark will devote at least \$200,000 per year to advertising, outreach, consumer financial education and credit repair initiatives in and around Memphis.
 - Trustmark will pay a total civil money penalty of \$5 million to the OCC and CFPB.
 - Trustmark already has established a Fair Lending Oversight Committee and designated a Community Lending Manager who will oversee these efforts and work in close consultation with the bank's leadership.

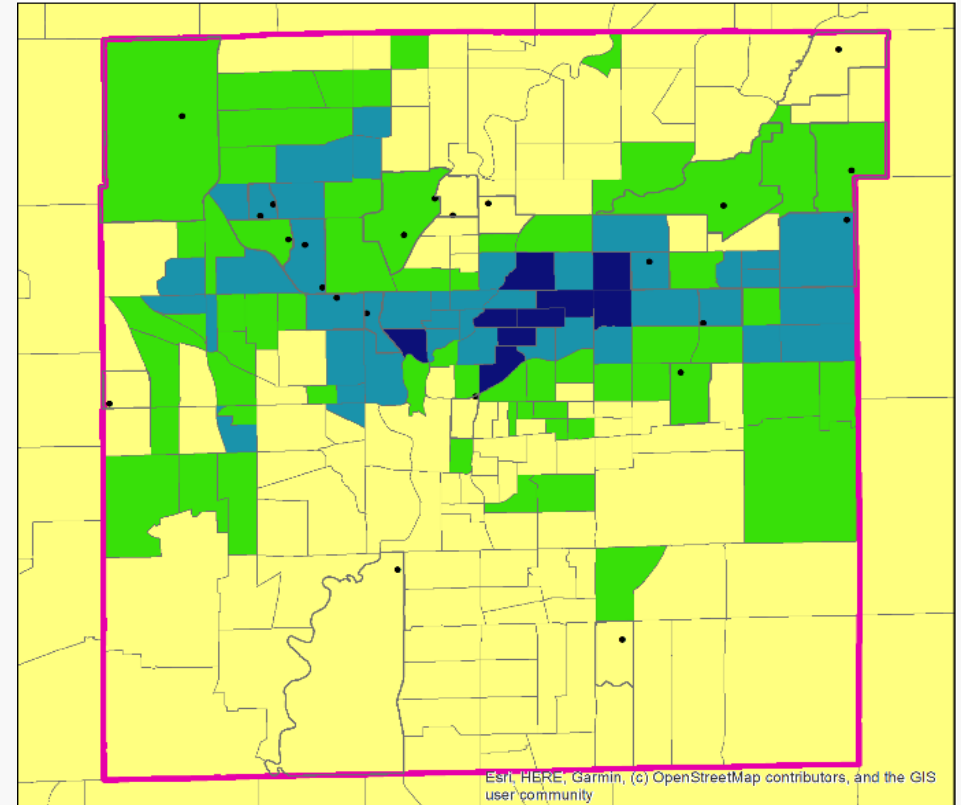
FHCCI v. Old National Bank (IN)

- In October 2021, FHCCI filed a federal court complaint against Old National Bank alleging that the bank unlawfully discriminated in residential mortgage lending based on race. The complaint alleged Old National Bank structured its business to avoid providing access to mortgage credit to Black residents and neighborhoods in the Indianapolis area and that the bank made many fewer loans to Black applicants than its peers did.
- The FHCCI alleged that Old National deliberately sought to limit its residential lending business to predominantly white areas and customers and has removed branches in Black neighborhoods and sited branches in white neighborhoods – conduct which constitutes redlining and violates the federal Fair Housing Act.

2019-2020 Old National Originations to White Borrowers in Marion County

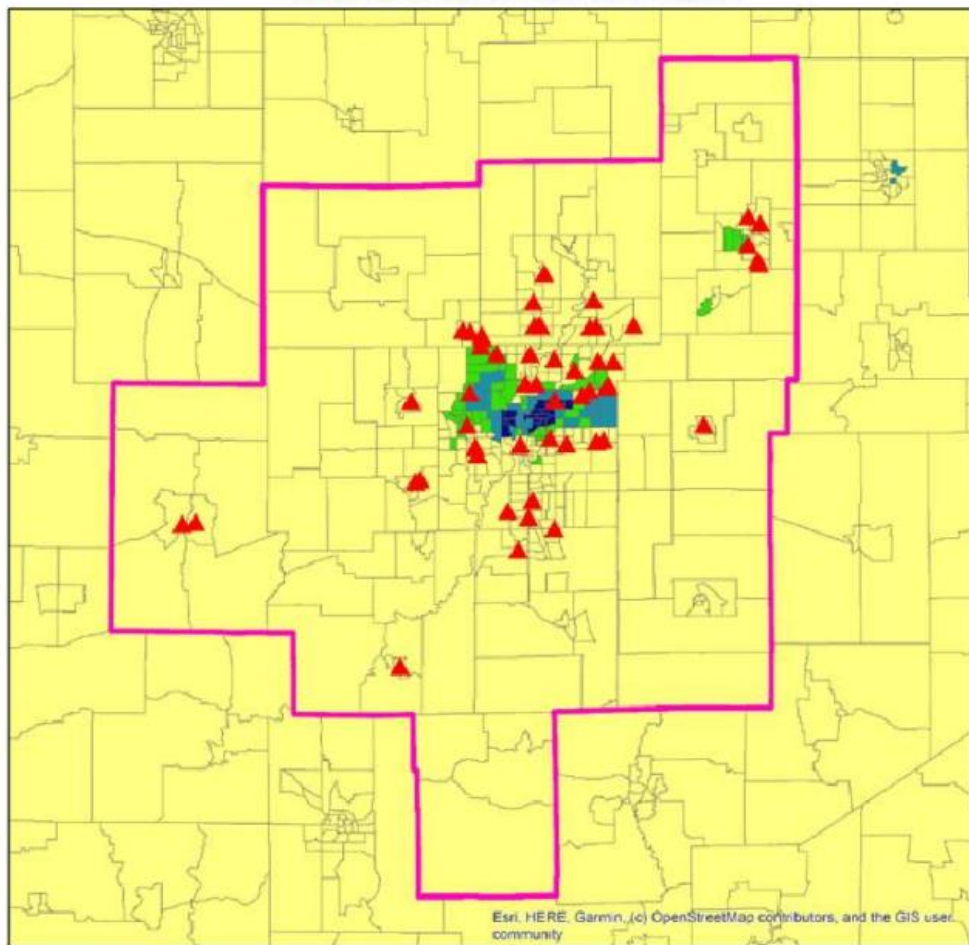


2019-2020 Old National Originations to Black Borrowers in Marion County

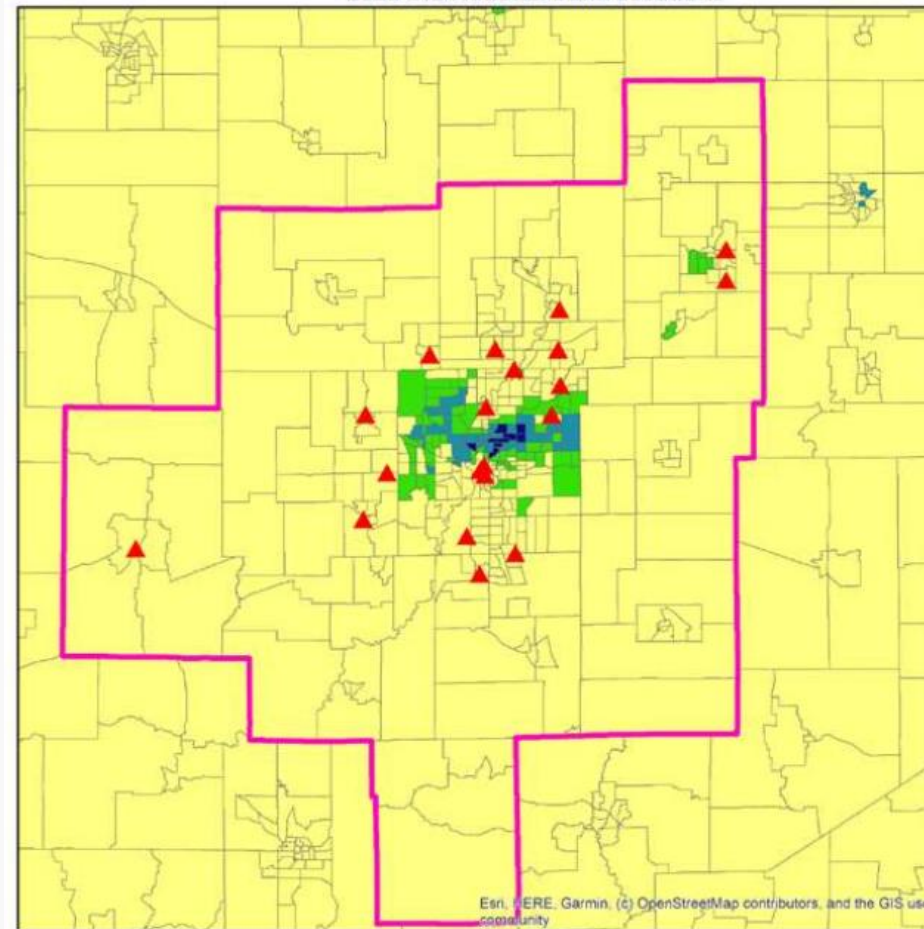


- In 2019-2020, **Old National made 2,274 mortgage loans in the Indianapolis MSA**. The borrower's race was identified in Old National's own data for over 91% of these loans, yet only **37** loans were to Black borrowers across the entire Indianapolis MSA (1.78%).
- **In Marion County**, they made 678 loans, of which **596 had the race identified**. Of those, only **23** loans were to Black borrowers (3.86%) in 2019-2020. In 2019, Old National made **just 8 loans** to Black borrowers throughout all of Marion County.

2010 Old National Branch Locations

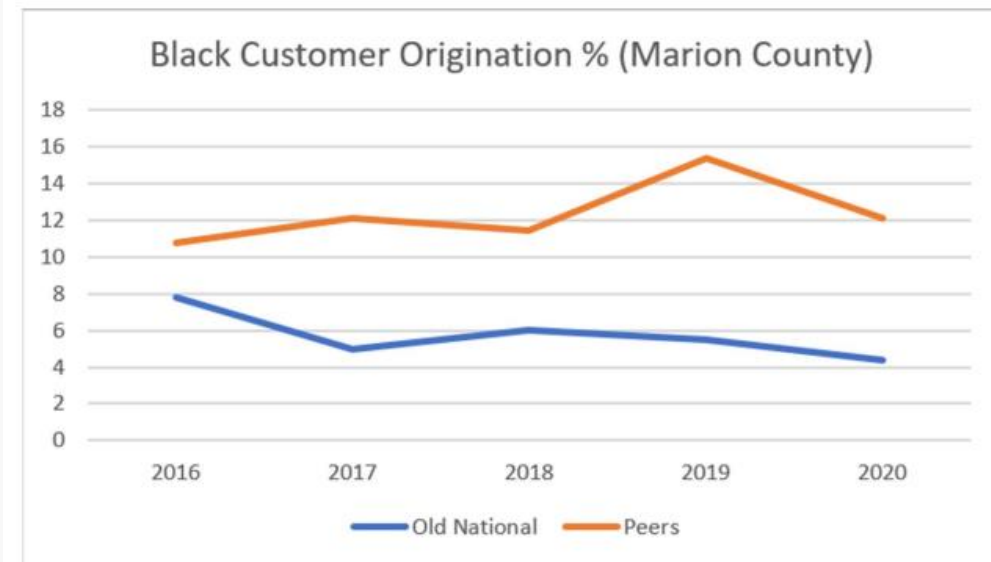
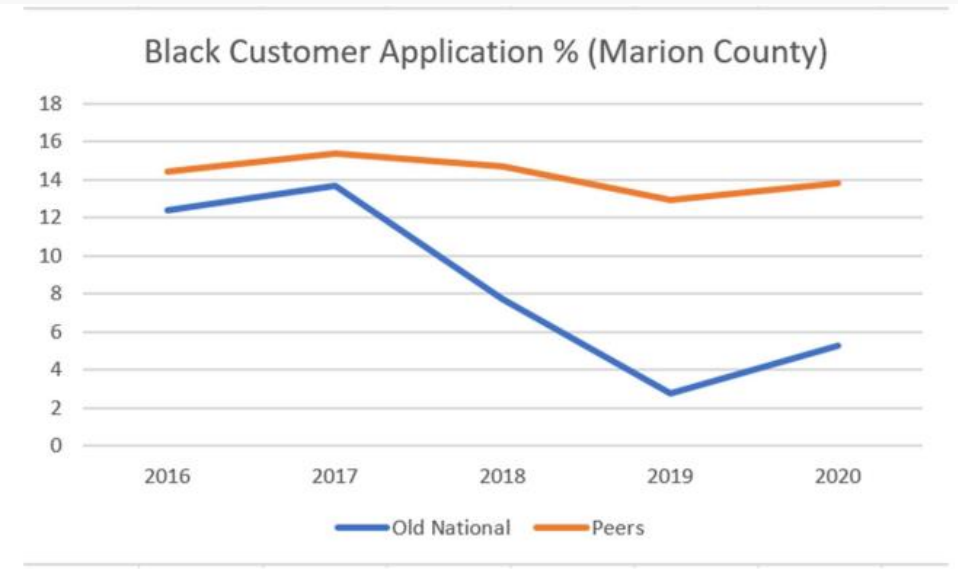


2021 Old National Bank Locations



- Between 2010 and the present, Old National closed many of the branches that had been serving neighborhoods with a higher proportion of Black residents. At the time of the lawsuit, Old National had no branches in census tracts that are more than 50% Black and only two in census tracts that are more than 25% Black. It had just four branches in the MSA located in census tracts where more than 10% of the residents are Black.

- Combined, all lenders in the **Indianapolis MSA** made 205,682 residential mortgage loans in 2019-2020. **These lenders made 6.39% of these loans to Black borrowers.** That is a proportion **3.58 times greater** than the proportion of Old National's loans that went to Black borrowers.
- In **Marion County**, all lenders combined made **13.03% of their loans to Black borrowers**, a proportion **3.38 times greater** than the proportion of Old National's loans that went to Black borrowers.



- FHCCI also conducted **fair housing testing** of Old National mortgage loan offices. The FHCCI found that Old National's loan officers provided Black testers with less information than they provided to the white testers, took them less seriously, and steered one of the testers towards more costly low down payment mortgages.
- Old National loan officers provided the white testers with helpful, detailed product comparisons and analyses of their finances, additional information about loan options, and more meaningful follow-up contact.
- The loan officers did not provide these benefits to the Black testers. In both tests, the differential treatment was consistent with Old National's practice of discouraging Black individuals from seeking loans.

- In December 2021, a settlement was reached. ONB admitted to no fault as part of the resolution.
- Settlement terms include:
 - **Branches:** Two new full-service branches to open in majority-Black census tracts in Indianapolis. The locations will initially open as loan production offices and will be converted to full-service branches upon regulatory approval in two years.
 - **Staffing:** ONB will provide two mortgage loan officers and one community outreach specialist to serve majority-Black areas in Indianapolis.
 - **Affordable Multifamily Housing:** ONB will provide at least \$7.5 million in loans to support affordable multifamily housing developments in Indianapolis.
 - **Grants:** ONB will provide \$1.3 million for grants to local CDCs and community organizations based in or serving majority-Black neighborhoods in Indianapolis.
 - **Fair Lending Education:** ONB will make a \$350,000 donation to the FHCCI to support fair lending education opportunities and programs in Indianapolis.
 - **Marketing:** ONB will spend at least \$300,000 over the term of the agreement in marketing to majority-Black neighborhoods in Indianapolis.

- **Lending:**
 - ONB will originate at least \$20 million in single family purchase loans in majority-Black areas in Indianapolis over three years through the development of a Special Purpose Credit Program that is intended to help Black applicants and residents of majority-Black census tracts qualify for loans.
 - ONB will provide \$1.1 million in loan subsidies, up to \$10,000 per transaction, to support down payment assistance, mortgage insurance premiums, premiums, and closing cost assistance in majority-Black census tracts.
 - ONB will expand use of its Home Manager Mortgage product, which permits loans with up to 97% LTV with no PMI requirement, and has revised the program guidelines to increase eligibility.
- **Redlining Assessment:** ONB will hire an independent third-party consultant to conduct a comprehensive redlining assessment of Old National's operations in key markets to include Ft. Wayne and Evansville, IN; Louisville, KY; and Minneapolis, MN.
- **Training:** ONB will conduct fair lending training for all relevant employees bank-wide.

BMO Harris Challenge (IN)

BMO Harris Lending Analysis

2018 to 2021

Marion County, Indiana

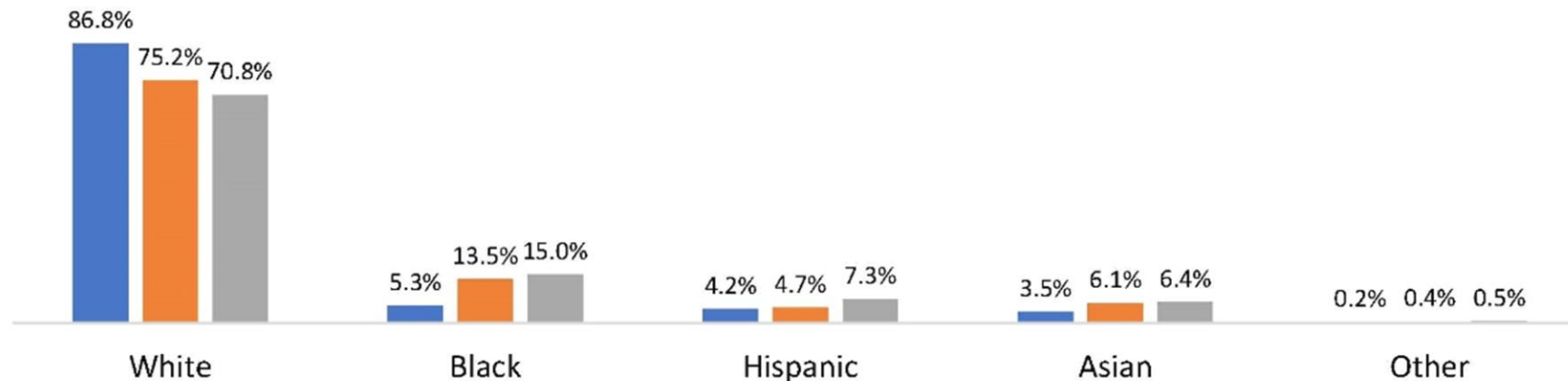
Key Takeaway:

BMO originated much fewer loans to Black borrowers compared to other lenders. Just over 5% of BMO's originations (excluding Unknown) went to Black borrowers which is almost a third of the rate of originations to Black borrowers than all other lenders in the Top 50 (14%).

Distribution of Loan Action by Race and Ethnicity

Originations (% to Each Group), Excludes Unknown

■ BMO Harris Bank N.A. ■ Top 50 ■ Non-Top 50



- Includes single family (1-4 units): site-built properties and excludes loans purchased
- Originations include loans originated or application approved but not accepted

BMO Harris Lending Analysis

2018 to 2021

Marion County, Indiana

Key Takeaway:

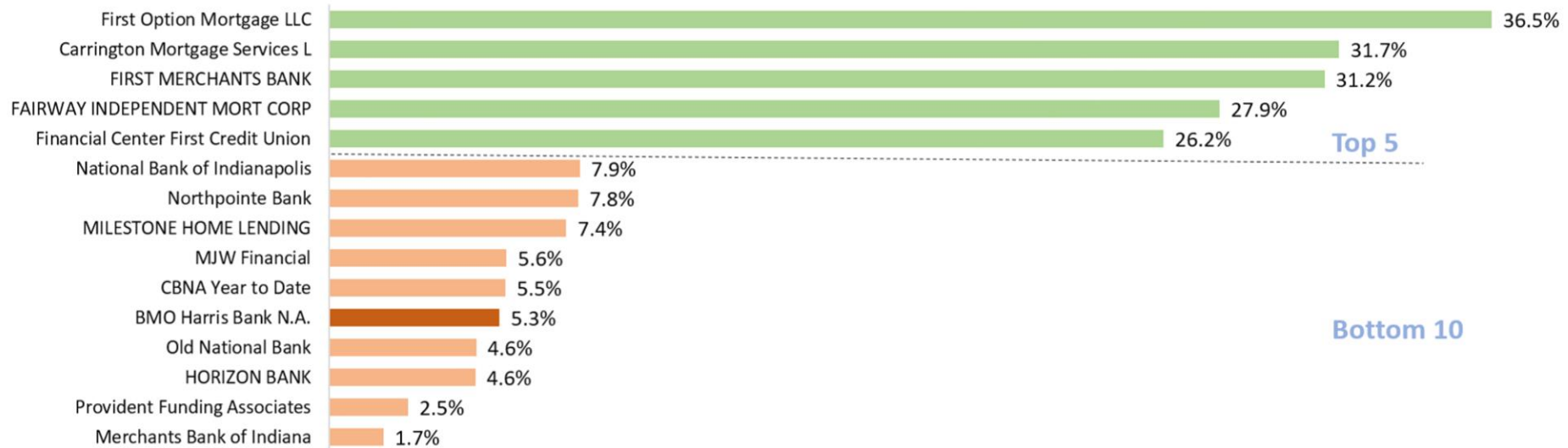
BMO originations to Black borrowers (5.3%) is amongst the lowest of the Top 50 Lenders in Marion County when excluding Unknown applicants.

Distribution of Loan Action by Race and Ethnicity

Top 5 Highest & Bottom 10 Lowest Percent of Originations to Black Borrowers

Excludes Unknown

Of all lenders in Marion County Top 50

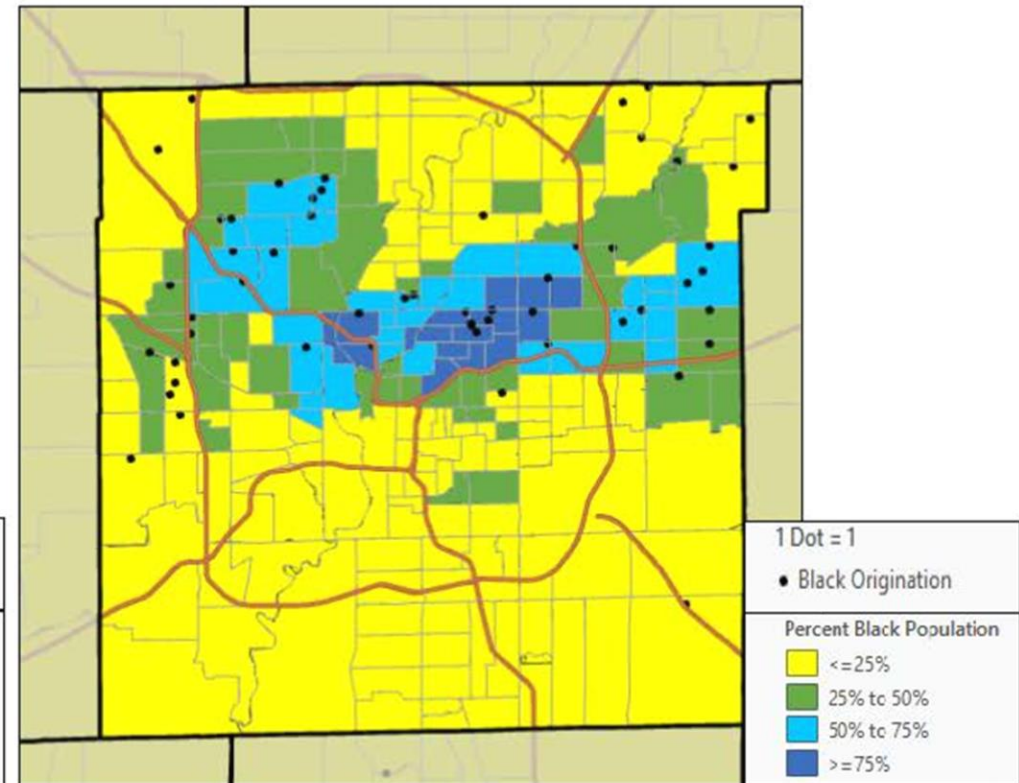
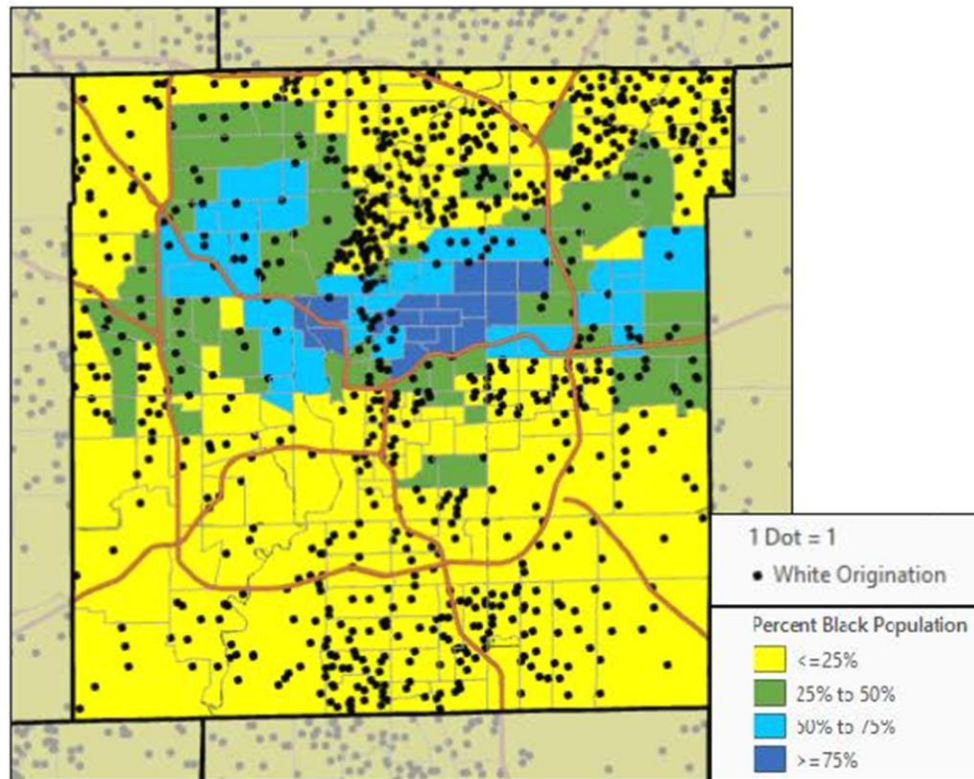


- Includes single family (1-4 units): site-built properties and excludes loans purchased
- Originations include loans originated or application approved but not accepted

BMO Harris

Volume of Loan Originations by Borrower Race (2018 to 2021)

Percent Black Population



BMO Harris Lending Analysis

2018 to 2021

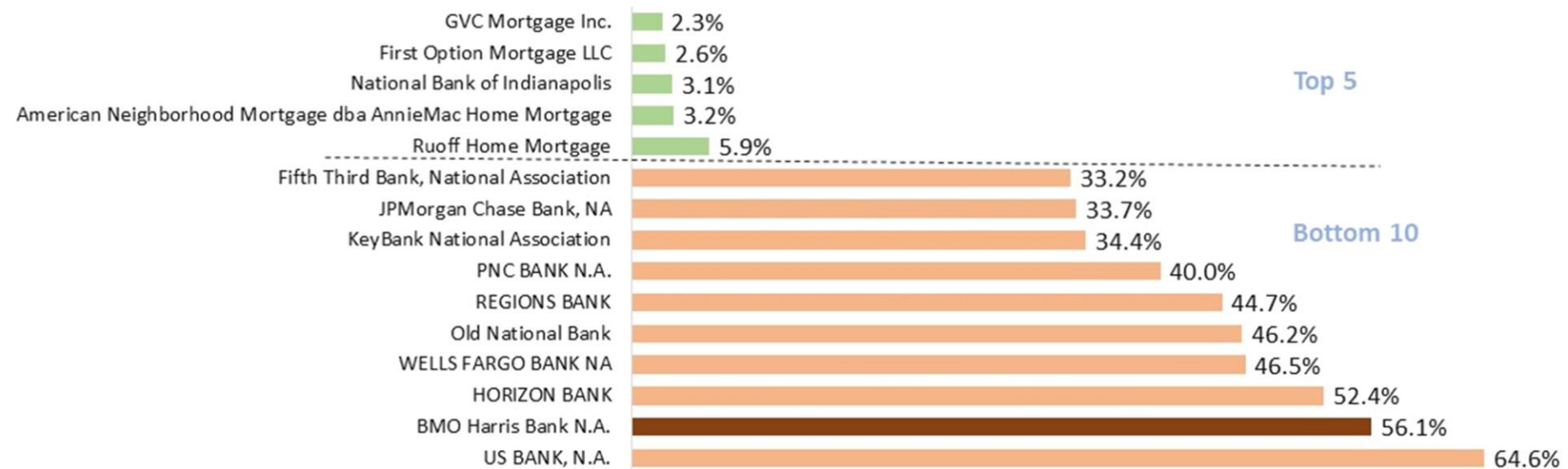
Marion County, Indiana

Key Takeaway:

BMO denial rate for Black applicants (56%) is amongst the highest of the Top 50 Lenders in Marion County.

Distribution of Loan Action by Race and Ethnicity

Top 5 Lowest & Bottom 10 Highest Denial Rate for Black Borrowers



Includes single family (1-4 units): site-built properties and excludes loans purchased

BMO Harris Lending Analysis

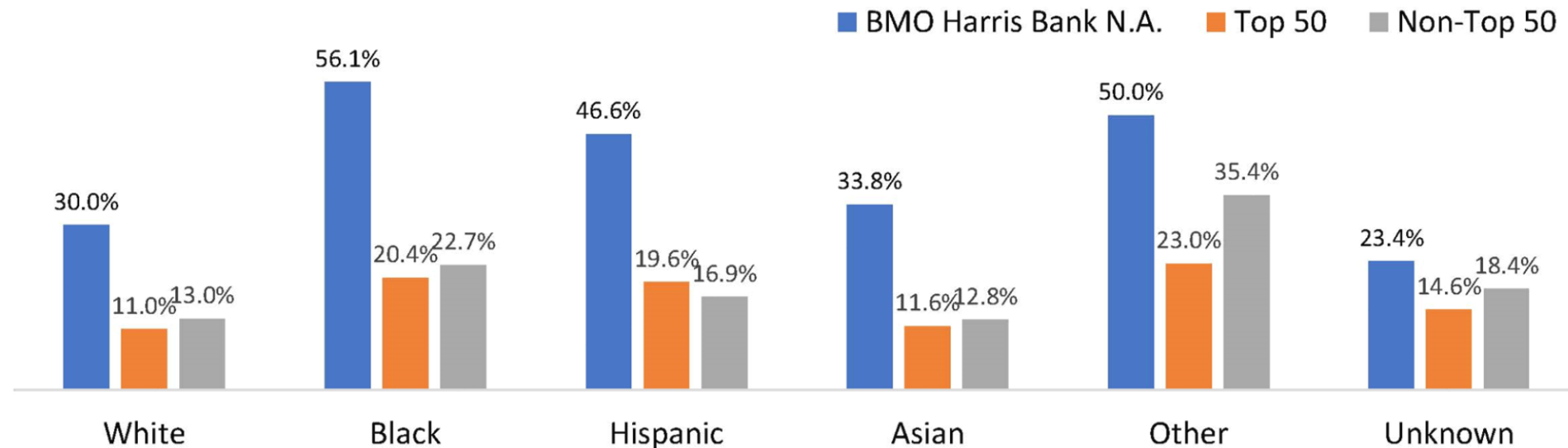
2018 to 2021

Marion County, Indiana

Key Takeaway:

The BMO denial rate for Black applicants is nearly twice the rate for white, Non-Hispanic applicants. Nearly 60% of Black applicants were denied by BMO compared to 30% denial rate for White applicants. The BMO Black denial rate is nearly three times higher than the Top 50 Lenders Black denial rate of 20%.

Percent Loans Denied by Race and Ethnicity Denial Rate



- Includes single family (1-4 units): site-built properties and excludes loans purchased

Appraisals



My race
is NOT
part of a
mortgage
discussion.

Knowing your rights is the first step in fighting housing discrimination. Educate yourself with the facts, go to www.hud.gov/fairhousing. Call HUD to report housing discrimination at 1-800-669-9777.

KNOWLEDGE IS POWER.

**IF YOU FEEL YOU'VE BEEN A VICTIM OF
HOUSING DISCRIMINATION, CONTACT THE
FAIR HOUSING CENTER OF CENTRAL INDIANA:
CALL: 317-644-0673 | VISIT: WWW.FHCCI.ORG**



A public service message from the U.S. Department of Housing and Urban Development in partnership with NALCAB-National Association for Latino Community Asset Builders. The federal fair housing act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability.

FHCCI, et al v. Freedom Mortgage, CityWide Home Loans, et al (IN)

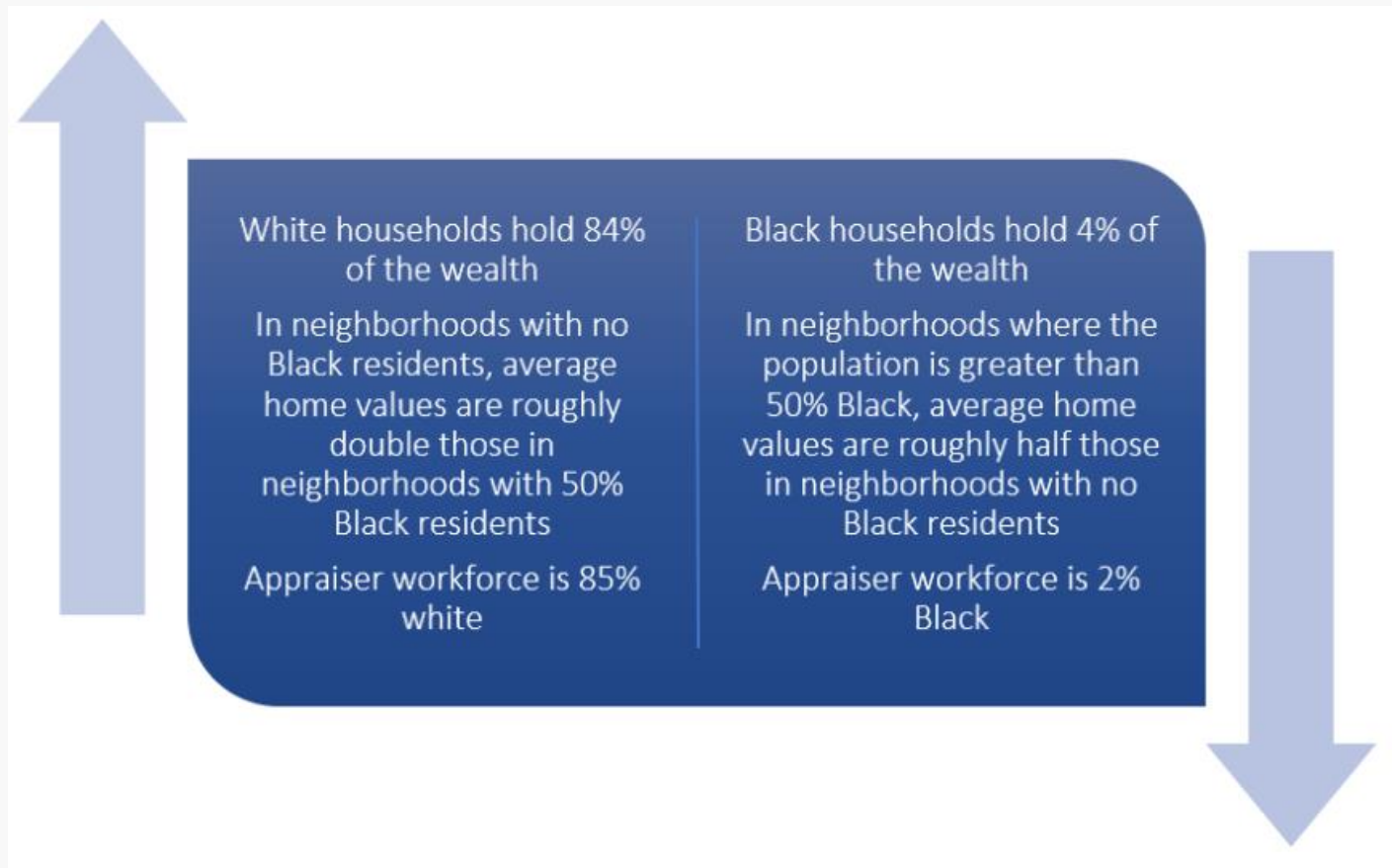
- FHCCI has assisted an Indy resident in filing fair housing complaints with HUD alleging discrimination in the lending and appraisal process.
- The FHCCI has also assisted an additional Indy resident since these filings.
- Pending.



<https://www.nbcnews.com/now/video/black-indianapolis-owner-s-home-value-more-than-doubles-after-concealing-race-112516165998>

Federal Housing Finance Agency (FHFA) Report

- In its 2021 report, *Reducing Valuation Bias by Addressing Appraiser and Property Valuation Commentary*, FHFA conducted a keyword search that resulted in thousands of potential race-related flags from the millions of appraisals submitted annually to it.



- Examples of racial and ethnic references we found in appraisals include:
The percentages of racial and ethnic makeup of the area.
 - *e.g.*, "The racial makeup of the city was 86.28% white, 12.46% Black or African-American, 0.52% Native American, 0.22% Asian, and 0.52% from two or more races. 0.56% of the population were Hispanic or Latino of any race."
- Foreign birthplaces of residents noted as part of the neighborhood descriptions.
 - *e.g.*, "The county was 94.85% white, 0.19% Black or African-American, 0.83% Native American, 0.74% Asian, 0.07% Pacific Islander, 1.36% from other races, and 1.96% from two or more races. 3.73% of the population were Hispanic or Latino of any race. 19.4% were of German, 13.2% English, 11.4% Irish and 9.1% American ancestry."
- The languages spoken in an area.
 - *e.g.*, "The most common language spoken is English. Other important languages spoken here include Italian and Spanish."

- A town was described as having a "Black race population above state average."
- The ethnic groups that have immigrated to a neighborhood over the course of many years and noted it was "one spicy neighborhood."
- A reference to a neighborhood being originally "White-Only," before becoming a "White-Flight Red-Zone" to explain why the neighborhood is mostly "Working-Class Black" now.
- A neighborhood described as "predominately Hispanic" and that the residents have "assimilated their culture heritage" into the neighborhood.
- A neighborhood populated by African Americans characterized as leaving an "overcrowded" area for "greater housing opportunity" in the neighborhood.
- Noting that "there is more Asian influence of late" buying the market.
- Noting the area's first Asian mayor.
- Noting an area's "decline in population, which transitioned from being predominately Eastern European to having a substantial amount of Black and Hispanic people."
- An area that was "originally founded as a whites-only city or sundown town" but had become "fairly diverse" with a "diverse school system."
- An area that was "'not especially-diverse' ethnically, with a high percentage of white people."

NCRC Appraisal Testing Report (2022)

- [New report by NCRC](#) recruited interracial couples as testers. Appraisal companies in Baltimore selected at random. Full appraisal conducted with the couple separately having appraisals conducted of their homes under belief by appraisal that it was a (a) white-owner home or (b) a Black-owner home - to determine any differences in treatment.
- **Appraisers assigned higher values to homes when they believed the owners were White in NCRC's groundbreaking "mystery shopper" investigation.**
One interracial couple's home was appraised \$46,000 higher when the White partner presented it. On average, White homeowners obtained higher values than their Black partners.
- **Black homeowners experienced unprofessional treatment from appraisers. White homeowners did not.**
One appraiser refused to complete an assignment for a Black homeowner. Another took 11 weeks to complete a report for a Black homeowner.
- The severity and subtlety of racial bias captured in the findings suggest that **it will take sweeping and aggressive action from both policymakers and the industry itself** to rid the appraisal marketplace of discrimination.

Lending & Sales Resources – Learn More



**Live
life in
full
color.**

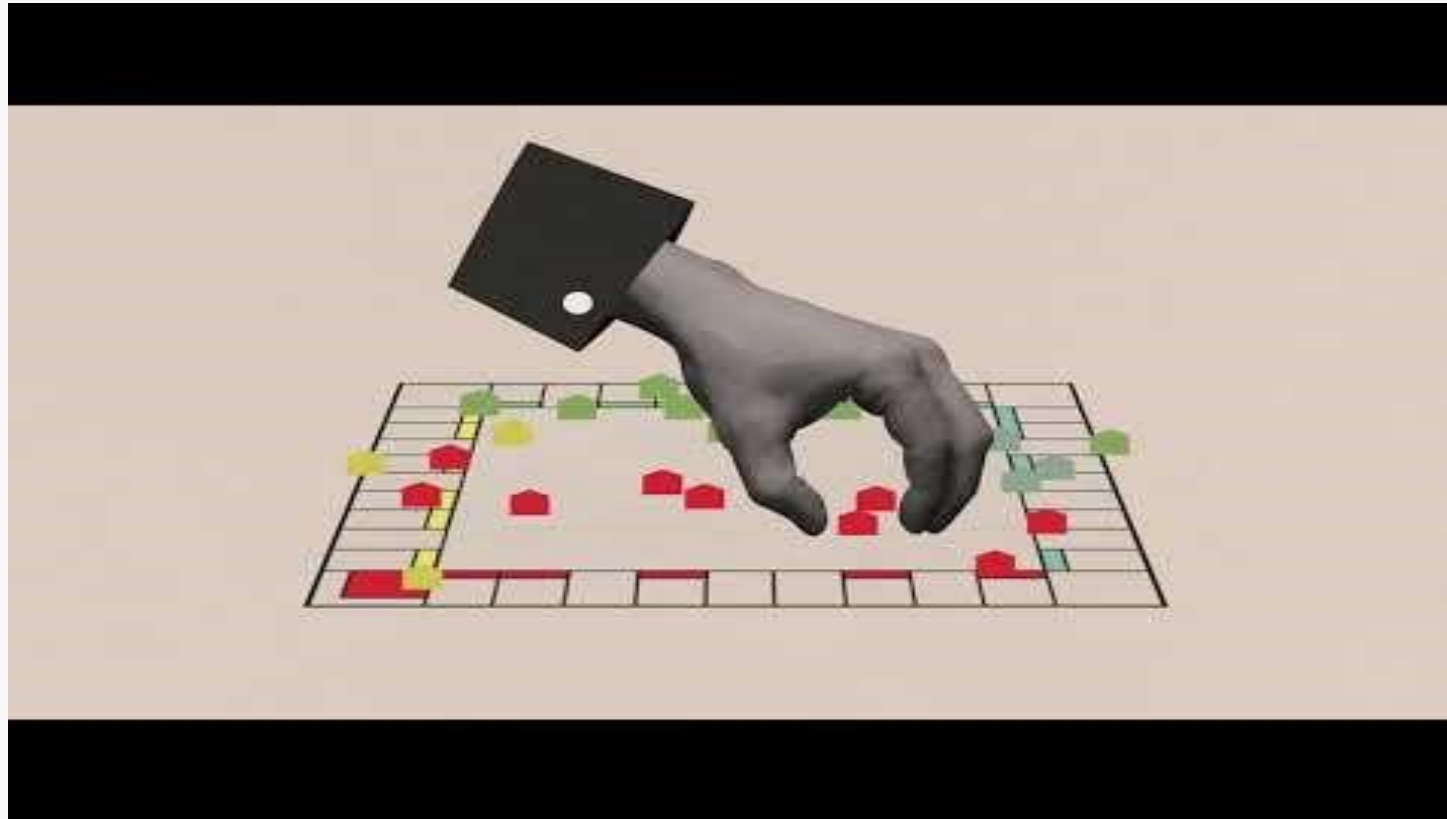
Encourage and accept diversity in your neighborhood and community. It will promote a greater sense of engagement, better prepare your children for the global community they will inhabit...give us all a richer life. To better understand how neighborhood diversity will benefit you and your family, please log onto www.ARicherLife.org.

NFHA
National Fair Housing Alliance
www.ARicherLife.org

STATE FARM
INSURANCE

FAIR HOUSING CENTER
of CENTRAL INDIANA
www.fhcci.org

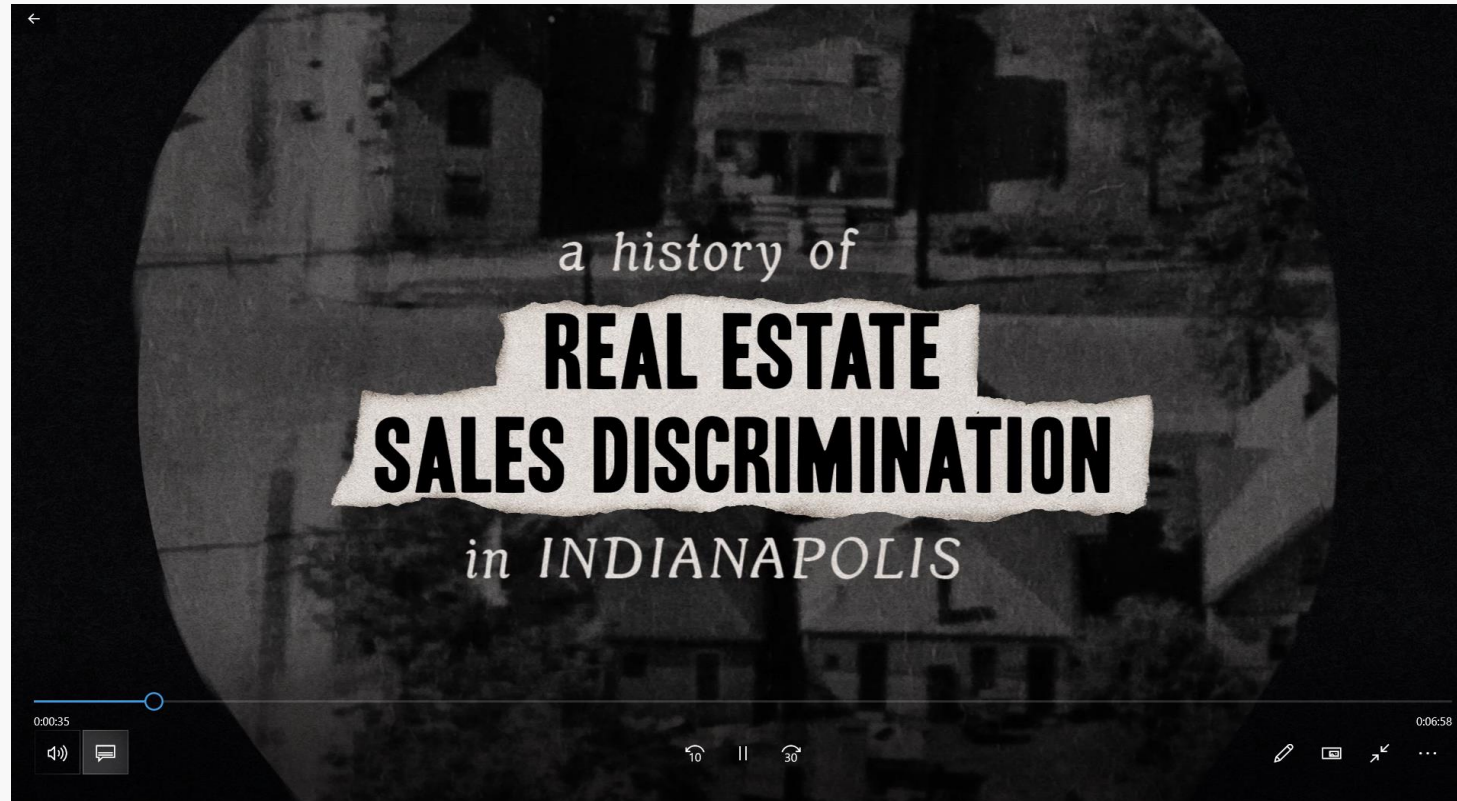
History of Redlining



<https://www.youtube.com/watch?v=cL9sWnAwQNE>

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A History of Real Estate Sales Discrimination in Indianapolis



FHCCI YouTube Page: <https://www.youtube.com/watch?v=WjYOA7DIz4I>

Reverse Redlining 101



<https://www.youtube.com/watch?v=ku5xIVdSnYY&t>

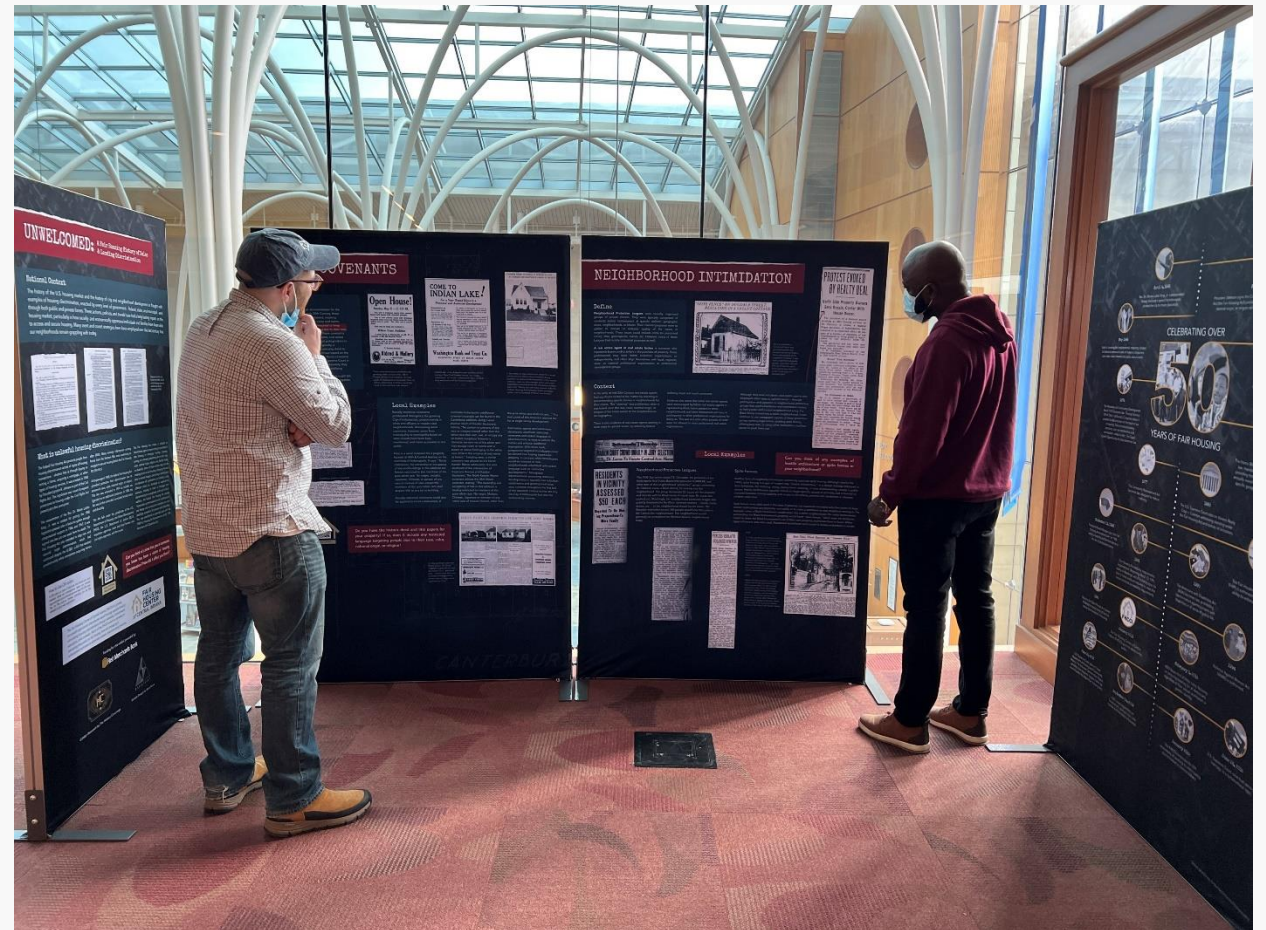
8 Modern Day Forms of Lending Discrimination – Thanks Cummins!



FHCCI YouTube Page: <https://www.youtube.com/watch?v=-DQ2Cp0x5Hs&t>

Experience the Fair Housing + Sales/Lending Discrimination Interactive Exhibit

- Traveling exhibit around Indianapolis focused on history of sales and lending housing discrimination in central Indiana
- Visit www.fhcci.org/events to find out its current location

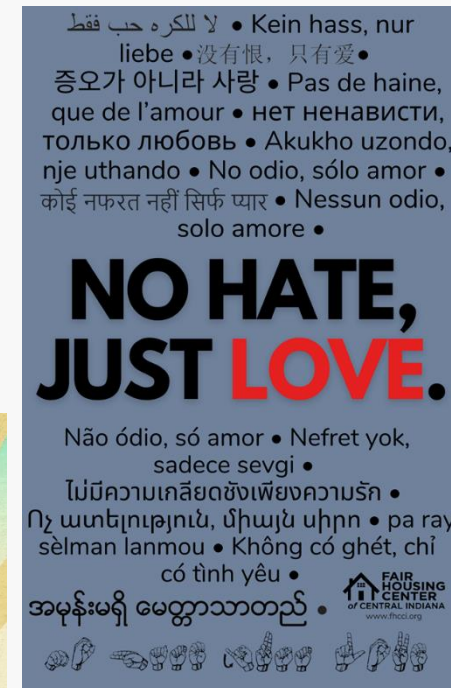
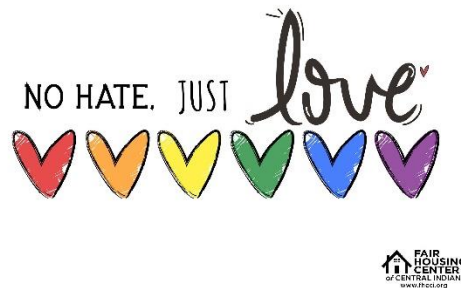
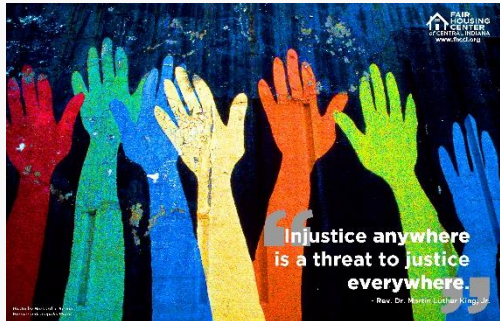


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- Visit

<https://www.fhcci.org/about/publications/>
to order.

- Posters are mailed free to any Indiana address.
- Yard signs must be picked up at FHCCI office in downtown Indianapolis.



FHCCI Website

- Visit www.fhcci.org
- Education page has several topical issues

Select Language

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Education

You are here: Home / Programs / Education

EDUCATION PROGRAM

The Education Program of the Fair Housing Center of Central Indiana provides education programs and activities to increase fair housing knowledge. We conduct trainings and conferences, distribute publications, support community events, issue e-newsletters, provide social media alerts and a website, release reports, and other activities to advance knowledge about fair housing laws. We work with consumers, the housing industry, and state and local policy makers to advance fair housing.

On this page and this page's topical subpages, you will find a variety of publications and guidance about relevant fair housing issues.

Please note that if alternative formats of any of these publications are needed for those with disabilities, please [contact the FHCCI \(info@fhcci.org\)](mailto:info@fhcci.org) and we will attempt to accommodate.

What is Fair Housing?

Fair housing is a right—not a privilege. Fair housing is the law—not just an idea. Each of us is a member of several protected classes. Fair housing laws apply to and protect all of us! Fair housing is about exercising a choice and choosing where you want to live based upon your own economics. It's the promotion of healthy, diverse neighborhoods.

Fair Housing Law

There are a number of laws concerning discrimination in housing. While the Federal Fair Housing Act is the law most frequently cited, the federal government has a number of laws and executive orders addressing the issue.

Generally speaking there are four basic components to any allegation of unlawful housing discrimination:

1. A protected class that is covered by the law, and
2. A discriminatory act or practice that is covered by the law, and
3. The most recent discriminatory act that occurred meets jurisdiction timelines, and
4. The allegation involves a kind of housing covered by the law(s)

Programs

- Advocacy
- Education
 - Advertising
 - AFFH
 - Appraisals
 - Criminal History
 - Disability
 - Familial Status
 - Gender
 - Gender Identity, Expression, & Transgender
 - Hate Crimes
 - Human Relations Commissions
 - Insurance
 - Landlord/Tenant
 - Lending
 - Military Service Veteran Status
 - National Origin, Immigration, & Refugee Status
 - PSA
 - Race & Color
 - Religion
 - Rent to Own & Land Contracts
 - Sales
 - Sexual Orientation
 - Source of Income
 - Staff Recs
 - Videos
 - Zoning
- Inclusive Communities
 - Art
 - Social Justice Art
- Public Policy
 - 2014 Public Policy

Reminders & How You Can Help Fight Housing Discrimination!

- Report discrimination
- Visit our Education, Public Policy, or News Page at www.fhcci.org for more fair housing information
- Follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), or [YouTube](#)
- Sign up for our monthly e-newsletters (go to www.fhcci.org)
- Attend our trainings and/or conference – [Events Page](#)
- [Donate](#)! We are a 501c3 organization
- Contact us with questions!

