

June 15, 2022 – 2:00-4:00 PM ET  
 NATIONAL FAIR HOUSING FORUM

Meaningful Collaboration to Advance Housing Equity: A June Homeownership Event

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Speakers: Demetria McCain, Principal Deputy Assistant Secretary, Office of Fair Housing and Equal Opportunity, HUD

David Berenbaum, Deputy Assistant Secretary for Housing Counseling, FHEO  
 Fair Housing, HUD

Moderator: Cashauna Hill, Executive Director, Louisiana Fair Housing Action Center

Panelists: Ibijoke Akinbowale, Director of Community Impact, NCRC, Caroline Peattie, Executive Director, Fair Housing Advocates of Northern California, Lautaro "Lot" Diaz, Vice President: Housing & Financial Empowerment, UnidosUS.

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CASHAUNA HILL: [0:00:00] Good morning and good afternoon, again, everyone. Welcome to the National Fair Housing Training Academy's National Fair Housing Forum titled Meaningful Collaboration to Advance Housing Equity: A June Homeownership Event. My name is Cashauna Hill, and I am a NFHTA faculty member and also the Executive Director of the Louisiana Fair Housing Action Center. I'm excited to once again serve as the moderator of this very important conversation.

Before we begin, I'll note that this forum features information and examples that represent the experiences of the speakers. The comments made today do not necessarily reflect the policies of HUD.

Now, we'll take a break and review some quick technical tips and instructions before we begin. TJ, over to you.

TJ WINFIELD: [0:00:53] Thanks. If any of you have technical difficulties with audio or video today, we recommend you first sign out of the webinar and sign back in. If you're still having trouble after that, you can request help in the Q&A box located on the Zoom panel section at the bottom of your screen. Or you can send an email to the address displayed on your screen. That's NFHTA@cloudburstgroup.com.

We do encourage you to ask questions. You can enter your questions at any time by selecting that same Q&A button on your Zoom panel. Please note, though, that due to time constraints, we may not be able to respond to every question today.

The webinar is scheduled for two hours and is being recorded. The recording and the transcript will be made available on the NFHTA website, on HUD Exchange along with resources that supplement today's conversation. Back to you, Cashauna.

CASHAUNA HILL: [0:01:47] Thank you for that review, TJ. Now, I'm so happy to introduce Demetria McCain, Principal Deputy Assistant Secretary of HUD's Office of Fair Housing and Equal Opportunity. As many of you on the call are aware, Demetria has long been a champion in the fair housing community, advancing racial equity, inclusiveness, and reinvestment in

neighborhoods. Demetria, as always, it's an honor to have you join us today.

DEMETRIA McCAIN: [0:02:17] It's an honor to follow you, Cashauna, thank you very much. I know many of you have seen me before. I want to say I'm glad you're here with us today as always. I want to officially welcome you to June's National Fair Housing Training Academy Forum: [0:00:00] Meaningful Collaboration to Advance Housing Equity.

This session is hosted jointly with HUD's Office of Fair Housing Counseling. Office of Housing Counseling. We're so happy to have them here.

Now, with June being declared National Homeownership Month, actually the 20th anniversary of it, believe it or not, today we will explore how HUD, along with you, HUD partners, can advance homeownership and close the racial homeownership gap as well as the racial wealth gap.

We have a whole slate of terrific panelists today. I'm not going to waste a whole bunch of time here. I'm going to pass the baton on to them. I just want to introduce none other than David, David Berenbaum, Deputy Assistant Secretary for Housing Counseling, FHEO Fair Housing. David, I'm going to turn it over to you.

DAVID BERENBAUM: [0:03:41] Demetria, thank you so much. Welcome, everyone. Thank you for joining us today. Cashauna, I have to say, what a terrific response to the opening survey. Really sets the stage for a very meaningful program. And it's on point with what we hope everyone would be interested today.

So to kick things off, I want to thank the National Fair Housing Training Academy as well as my colleagues at FHEO and in particular Demetria for hosting this important National Homeownership Month event focused squarely on building the knowledge, skills capacity, and you've heard it, the collaboration between public and public FHIPs and FHAPs and housing counseling organizations across the nation. Working together, we will realize our goal of expanding our impact to advance housing equity, affirmatively further fair housing, and ensure equal housing opportunity in all of the communities that we serve.

We each must play a critical role as direct service providers to ensure that discrimination has no place in our housing market, and that every neighborhood is a community of opportunity. Whether you work with a FHIP, a FHAP, or a housing counseling agency, thank you for all that you do to ensure that tenants and homeowners alike have the knowledge they need to obtain, sustain, and retain their housing free from the specter of discrimination.

For those of you who are not familiar with the impact of housing counselors in agencies nationwide, let me start by saying that, in fact, our agencies provide services to over 1 million households each and every year. And they offer significant fair housing education and referral to clients nationwide and that includes referring clients to housing enforcement agencies, public and private, as a key component of their work. They are part of our early warning system. When there are problems in the marketplace, often the counselors working with households across the country are the first to become aware of it.

Today, HUD-approved housing counseling organizations are also actively participating in the enforcement of the Federal Fair Housing Act as well as FHEO's education and outreach initiative. Today, you'll hear from some of our agencies that are both housing counseling

agencies as well as FHIP agencies. I think that's a very unique and important role that I hope we can build upon.

You know, the agencies know firsthand, particularly, that because of some of the issues the public are facing, the importance of working to ensure we protect the rights of households, families, children, individuals, both housed and those who are seeking housing. They see frequently, unfortunately, the steering of qualified homeowners to housing based upon race, national origin, or other protected classes, rather than the community of the choice that they are looking at. They see as a pretext for discrimination the source of income issue emerging. And they work to overcome that nationwide. They also see, unfortunately, many situations where the quality of information being provided to home seekers, apartment seekers, and others, elders, is not the same because of differences in appearance, national origin, culture, English proficiency, and other protected issues.

We, unfortunately, also are seeing that the victims of natural disasters nationwide, when they're seeking rehousing, new housing, often on the basis of protected classes, they are also denied their fair housing rights.

Of course, we're all intimately familiar with the discriminatory home appraisals in our nation and unfair valuation impacts on realizing the American dream and as was noted earlier, the realization of multigenerational wealth. All of these issues will be discussed in more today, whether it's issues of reasonable accommodation, issues of where children, families with children are offered housing. The list goes on and on. We know discrimination happens too frequently.

So we are all on the front lines and working together. We are committed to supporting each other so that every apartment or home seeker is treated fairly and free from discrimination. We have limited resources, but through collaboration, we can leverage those resources together.

For the counselors on the program who are new to, in fact, fair housing, this should be a great immersion to you. I'm happy to share with you our team today will be sharing a helpful fair housing fact sheet. Simple and clear. That I hope you'll be able to use as you leave the program moving forward. As well as calling up FHEO as well as the Office of Housing Counseling for more information.

Now, beginning to close, let me simply say I believe by working together, we as civil rights and counseling professionals can and will make a difference. It is our hope, both at FHEO and the Office of Housing Counseling, that when we work collaboratively, whether it's FHIPs and FHAPs or housing counseling agencies, that through all our programs, we'll be able to ensure this. And in so doing, we'll augment our ability to serve our communities, bridge the homeownership gap, and realize Dr. Martin Luther King's and Walter Mondale's vision for our country. Dr. King once stated that the time is always right to do what is right. And to quote the famous Maxum, if not us, who? And if not now, when?

Let's get started. Back to you, Cashauna. And thank you.

CASHAUNA HILL: [0:09:45] Thank you so much, David. It's great to have you back with us at another NFHTA forum. Thanks so much to you as well, Demetria. We very much appreciate having both of you with us today.

As we move on, I'd like to share the learning objectives for today's forum. Together, we will build understanding of the HUD certified housing counseling agencies and the services they provide. Recognize the fair housing intersections in the vocations of FHIPs and FHAPs and housing counseling organizations. Know about fair housing issues that housing counselors encounter and how to support in addressing potential violations. Have tools to provide language access for limited English-proficient persons. Highlight best practices for how fair housing organizations support fair lending enforcement. And understand how FHIP and FHAP agencies and housing counseling organizations can collaborate to affirmatively further fair housing.

At this time, I'll introduce our panel speakers. I know everyone is eager to learn from the experiences of the speakers. And I encourage you all to review their bios on the forum page of the NFHTA website for more detailed instructions.

Joining us today, we have Ibijoke Akinbowale. Caroline Peattie. And Lot Diaz. As we move into our discussion, a reminder that during today's roundtable discussion, you will all have the opportunity to submit questions that we will address after remarks from our panelists. However, please note that not all questions will be able to be answered and personal questions will not be addressed. You can submit questions at any time via the Q&A box.

Also, as a reminder, this event is being recorded. We will make sure to share the link to the NFHTA forum page throughout the event.

With that, I am now going to hand things over to Ibijoke to get things started.

IBIJOKE AKINBOWALE: [0:11:54] Thank you so much, Cashauna and Training Academy team. I couldn't be more thrilled to join you all for today's presentation. Especially during Homeownership Month. As she mentioned, my name is Ibijoke Akinbowale, I'm the Director of Community Impact at the National Community Reinvestment Coalition.

Next slide, please. All right. So I also have the unique pleasure of overseeing our Housing Counseling Intermediary Program. A just economy through wealth building and creation. We work to achieve this through a variety of programming including our role as an intermediary and FHIP organization.

Next slide. So what's housing counseling? I often want to refer to this as the only unbiased opinion many homeowners and potential homeowners may receive. If you think about it when you're going through a lot of these processes, there's lenders, there's realtors, other for-profit entities involved that also have something to gain out of connecting with consumers. Housing counselors do not by and large. This is a free service that is provided. These experts receive training, certifications, continuing education, and supervision from HUD directly, state, regional, and national intermediaries.

In accordance with the 7610 handbook, all housing counseling must include the following elements. Intake, client budget, financial and housing affordability analysis, a client action plan, and a reasonable effort to follow-up with a client.

Next slide, please. Counseling services requested may include homelessness assistance, rental assistance, pre-purchase and home buying. Not-delinquency and post-purchase. Mortgage delinquency. Reverse mortgage. Financial management and budgeting. But based upon the

9902 projections for the field, pre-purchase counseling and group education tend to represent the most significantly requested services from this field.

Despite the ongoing pandemic and increased funding for renters, forbearance and the Homeowner Assistance Fund, the associated counseling is not the most popular service requested.

For perspective, of the roughly 1 million clients served, only about 5,000 consumers receive rental counseling. Now, this number may vary for a number of reasons. Mainly including the access to rental assistance programs and the incompatibility with the program when it comes to housing counseling. We'll talk a little bit more about that in future slides.

Next slide, please. Housing counseling does not include services about housing information or referrals or housing placement. Routine administrative services like intake or case management. Case management, itself, is a fantastic tool. Certainly, is very helpful especially for our programs focused on homelessness intervention. It does not qualify as housing counseling.

For housing advice and advocacy, working on complaints, helping to file, helping consumers to file and submit those, also is not a level of service that qualifies as housing counseling.

And group education, including online education without individualized housing counseling plan for the clients would not classify as housing counseling.

Next slide, please. On the HUD website, there are fantastic tools. One of which is an ability to access a local housing counseling agency. And so, consumers and folks consumer-facing can also log on and can put in the zip code, the states. You can even scroll down to identify the type of service the client may be interested in receiving. You'll also notice here that your fair housing rights and filing a complaint is also a level of service that consumers may receive from a housing counseling agency.

I would distinguish that this is -- this specifically refers to the process of helping consumers to file complaints, specifically.

Next slide, please. So, let's talk about some of the intersections between FHIPs and FHAPs and housing counseling. I'll start by saying I began my career working at a FHIP in Pennsylvania conducting testing investigation. And despite a focus on testing, I learned how to conduct intake. This was, indeed, my first introduction to housing counseling and the need for it. More than 50% of the clients intaked that we received were housing counseling in nature. Consumers contacted primarily for questions regarding their mortgage and property tax related inquiries. Intake is a valuable tool to conducting an assessment of clients' needs for your services or referrals. It is not uncommon for housing counselors to ask whether or not a consumer believe they have experienced discrimination. Routine referrals do include to local fair housing organizations. Even state agencies for complaint processes. Especially in jurisdictions much like the District of Columbia that has 21 additional protected classes most of which are housing specific in nature.

I will take this opportunity to highlight some of the most common complaint issues that housing counselors work on and go specifically to CFPB and occur in the process of which a housing counselor is helping a consumer to modify the tones of their loan. So we're seeing a lot of that

occur now. Obviously, for consumers that have been in forbearance agreements and are rolling out of that, this can, obviously, occur at the beginning of consumer transactions when moving into homeownership. Even when you're in homeownership for quite some time. Counselors often receive authorization from their clients directly to communicate with the CFPB to monitor their complaints, to help clients resolve their mortgage inquiries, and move toward a space of modification that helps consumers avoid foreclosure.

Next slide, please. Okay. So consumer education and protections. This is something that's incredibly important and truthfully embedded in the counseling process from intake to group education, to one-on-one opportunities. As I mentioned, you know, it's not unheard of for counselors to ask clients if they feel like they've experienced discriminatory practices. That can be from a rental perspective, to pre-purchase, to even when clients are trying to navigate avoiding foreclosure on their own. And if they're noticing unfair treatment in the space of services with their lender and servicer partners.

I would like to take the opportunity to highlight the American Rescue Plan specifically and the CARES Act. So the American Rescue Plan has, obviously, created an opportunity for the Homeowner Assistance Fund, being administrated from Treasury. This program exists in every state and jurisdiction. However, what that looks like does differ state by state. And so housing counselors currently have -- are tasked at the moment of understanding where their state is in the process in terms of the implementation of the Homeowner assistance funds. If their clients are eligible for these services. These are very key programs considering that at the height, Americans were a little over 824,000 were in active forbearances. Now that total is around the 155,000 mark. So helping consumers be able to understand the terms of the agreements, the terms of the loan, and the extension to these terms, is absolutely of critical importance. And making certain that the programs that they're being offered on the ground locally mirror what the provisions of the American Rescue Plan and the CARES Act has to say as it pertains to the work-out options they should be receiving when exiting forbearance and receiving other assistance from Treasury and applicable programs.

And so it's very routine for housing counselors to be knowledgeable on these programs. Most of whom, from the Fair Housing Act, to ECOA, to AFFH, are acts that have been long withstanding. Obviously with the American Rescue Plan and CARES Act, these are new provisions and laws, as a community, we put the onus on housing counselors to learn and stay abreast about these federal regulations. What's happening locally and within the state and how these protections apply to the clients that they're serving.

Next slide, please. All right. So wanted to take an opportunity to do a deeper dive into AFFH. AFFH obviously means taking meaningful actions that address significant disparities in housing needs and in access to opportunity. Replacing segregated living patterns with truly integrated and balanced living patterns. Transforming racially and ethnically concentrated areas of poverty into areas of opportunity. And fostering and maintaining compliance with civil rights and fair housing laws.

This is absolutely vital. Housing counselors are in the learning seat often from the clients that they see in the door, to just helping to determine if there are patterns and inconsistencies. So examples of information that suggests systemic discrimination may include knowing of multiple clients that are in the same protected class who are unable to obtain housing from the same housing provider. Or knowing of multiple clients who allege discrimination or harassment involving the same housing provider.

Another common example of this is also clients having the same servicer. And the terms of their loans, or the terms of the forbearance that they're being offered, differing from counterparts that are not unprotected classes. But also differing in terms of how the protections are described by the applicable laws and acts.

Housing counselors also do work to market -- to affirmatively market counseling and education services to those least likely to apply. They work to become familiar with affirmative fair housing marketing requirements from HUD, state and local housing programs, to inform clients of new or rehabilitated sources of information for housing opportunities that provide greater housing choice or mobility for persons that are protected under the Fair Housing Act.

Counselors work to inform clients of skilled providers supporting housing search assistance, informing clients of housing builders, management companies, real estate and brokers. One common complaint we make in housing counseling is we're the last service looped in. A lot of our clients may hear from us from lenders or hear from us from their realtors. Again, housing counseling by and large is a free service of which counselors don't stand anything to gain. Like a number of these for-profit entities. So we're in a position to provide quality education and resources to our consumers for their protection in accordance with the applicable laws within their jurisdiction.

Next slide, please. So I often find myself debating that homeownership within its is a form of advocacy. AFFH in promoting homeownership is incredibly important. Working with a housing counselor often makes homeownership a more realistic opportunity for consumers through diverse market representation and the quality education provided by certified housing counselors.

The chart that we're looking at here does show the existing gap in homeownership. For our fair housing folks on the line, we do know these statistics, of course, to be just as low as they were before the passage of the Fair Housing Act.

And so we, consumers do typically hear, again, about our services from for-profit entities. But the demographics that we're looking to move the needle on in terms of addressing the racial equity in homeownership, they are often groups that have significant barriers. Whether that is barriers in access to the education, whether those are credit barriers, access to capital, and requiring supportive programming that includes down payment assistance or even just learning about credit and how to improve these scores so they may qualify for homeownership or qualify for competitive products. These are primary objectives of housing counselors.

I mentioned earlier in today's presentation that pre-purchasing group education did represent a significant majority of the services that consumers do seek housing counseling for.

We are working as a field to move the needle closer to the number of consumers that are seeking housing counseling services for pre-purchase, to the ones that are actually able to move into homeownership.

Counselors are readily armed, again, with local information about housing resources. Whether that is property that is available, an affordable margin for consumers. Counseling, a lot of lenders and local communities do provide discounts for consumers that receive housing counseling information. And so the services, themselves, really do limit themselves to helping

consumers have more sustainable opportunities for pursuing homeownership. Our statistics do report that those who go through housing counseling, they're more likely to stay in their homes longer. They are more successful and more on time paying consumers when it comes to homeownership.

Next slide, please. Something that's also incredibly important for us is developing partnerships. And this does range when it comes to public and private entities. In terms of reaching larger audiences and providing more holistic services. It's absolutely vital that we connect with these partners.

One of the newer objectives from HUD, specifically, that many counseling communities are taking up is partnering with HBCUs and minority-serving institutions. And so this does create for an opportunity to provide financial literacy at earlier intervals for consumers that are often part of the marginalized groups that have been traditionally left out of the opportunities to pursue homeownership.

And so by making these formal partnerships, we are connecting with, again, diverse segments in providing in providing the most vital information at earlier points with the goal of homeownership in mind and arming consumers with the facts, the laws, and the protections, and the partnerships that can support them throughout the process toward their goal of homeownership.

Next slide, please. I feel like I covered a lot of information that our housing counselors are constantly having to stay abreast on. In our network, we meet monthly and we're talking about what's happening in Florida, what's happening in D.C., how does it differ? What does the federal regulations say that it should be? The counselors' work does not stop only with the one-to-one direct interfacing with clients. Our counselors are trained, obviously, routinely and receive continuing education. But they really do play a vital role in terms of establishing patterns and trends of what's happening in their communities. So it's not uncommon that counselors and participants will be monitoring HMDA data and looking for patterns of segregation within their communities. Also using the storytelling element to mirror what this information means to what their clients say they're experiencing on the ground.

And so there are a lot of shared tools from mapping data and other disclosure reports that both housing counselors and fair housing organizations are utilizing. But I'd also like to highlight the 9902 as a very popular tool that both counselors and the FHIP and FHAP community have the access to by logging on to the HUD exchange and going to the housing counseling page. You can absolutely see a full breakout of reports in terms of the number of consumers that are requesting housing counseling. The demographics in nature. You can also narrow this down to your states and regions as well. So that you can learn a little bit more about the consumer assessment in terms of what the interests are as they overlay with your market, specifically.

Next slide, please. Comprehensively, our housing counseling does work. It's very vital and important. It may be an opportunity for consumers to learn a little bit more about their protections. Both from a fair housing, fair lending, application. It's absolutely vital that these partnerships are robust and ongoing in order to serve clients in an equitable fashion. I'll turn it back over to you. Thank you.

CASHAUNA HILL: [0:31:58] Thanks so much, Ibijoke. I know there will hopefully be lots of discussion around what you shared. I think it's a great beginning to today's conversation.

As we move to our next panelist, Caroline Peattie, please note that today's slide deck is already available on the forum page on HUD Exchange and other materials including a recording of today's conversation will be available on HUD Exchange soon after the event.

Next, Caroline will discuss how fair housing and housing counseling agencies can work together. Known fair housing issues that housing counselors face on a regular basis. And Caroline will highlight best practices of how fair housing organizations support fair lending enforcement. Caroline?

CAROLINE PEATTIE: [0:32:50] Thanks so much, Cashauna. Hopefully, you can see my slide. Can you see it?

CASHAUNA HILL: [0:32:57] Yes.

CAROLINE PEATTIE: [0:32:58] Okay. Great. Well thanks so much, Cashauna. As mentioned, I'm Caroline Peattie. I'm Executive Director of Fair Housing Advocates of Northern California. I'm really happy to be here with you today.

And let me see if I can get my mouse to work here. Okay. So a bit of background about our organization. Fair Housing Advocates of Northern California's mission is to ensure equal housing opportunity and to educate the community on the value of diversity in our neighborhoods.

So we work to maximize housing opportunities for all persons. And I want to acknowledge today, I want to acknowledge the Miwok Tribe on lands whose we're living and whose land I'm currently on.

Fair Housing Advocates of Northern California services, I want to give you a little bit of background on the kinds of services that we provide so you'll understand the perspective of, well, my perspective and our organization's perspective. Our services for individuals include information and education. Intake, counseling, and investigation and referral of discrimination complaints. We also provide foreclosure prevention and pre-purchase counseling and education.

For the housing industry, we offer information and education including specialized trainings.

So for the community, we offer educational human rights programs and that includes educational programs for children as well. We conduct systemic audits which is fair housing testing, to determine compliance with fair housing laws. And we provide advocacy for integrated, accessible, and affordable housing for all.

So the first thing I'm going to talk about is how can fair housing and housing counseling agencies work collaboratively? So it's interesting because, you know, our programs, the bread and butter is fair housing work. We have been doing this work since 1982. And though, we actually have been -- our geographic service area has expanded. HUD housing counseling work that we do began in 2009 when we added foreclosure prevention, counseling, and education and pre-purchase counseling and education soon after. As we saw the need and understood the connections to fair housing. And, of course, 2009 probably rings some bells. It was right after the foreclosure crisis of 2008. So it was natural that we began to do some of our foreclosure work then.

Other FHIPs are independent of HUD housing counseling agencies and sometimes the referral process is well developed. In other cases, there is very little communication between a local FHIP and a HUD housing counseling agency. And many FHIPs don't really know what a HUD housing counseling agency is. And in fact, if you ask some folks, they'd tell you, well, we have a housing counseling program. Because, of course, they're counseling people on housing matters. And that confusion certainly has cropped up even in our own agency.

In terms of collaboration, it's really important that we know as FHIPs who our HUD housing counseling group is serving the same area. And vice versa. Even with FHIPs who are certified HUD counseling agencies like ours, departments doing FHIP work and housing counseling work often function in silos without really communicating between the two. There's sort of just general awareness of the other department and the type of work that they do. But the connections that allow for better referrals isn't really there.

And I can say that because that has certainly happened for us in the past. There can be a not-so-strong connection between the two departments.

There are missed opportunities for recognizing and addressing fair housing issues that may be embedded in a HUD housing counseling agency's rental or mortgage -- their clients' rental or mortgage difficulties. Or loan denial may be due to discriminatory policies, but a pre-purchase client may not know that. So it really becomes incumbent upon the HUD housing counseling agency to recognize certain issues as having fair housing implications. That's most likely to happen when FHIP organizations are collaborating with HUD housing counseling agencies and departments and actively communicating with them and providing cross-training opportunities to one another.

So the next issue I'm going to -- area I'm going to talk about -- is about fair housing issues that HUD housing counselors might encounter and how FHIPs and FHAPs can support them in addressing potential violations.

To start, I thought I'd use our agency as an example. Looking at the previous 12 months of fair housing complaint data, here's what we have. Like most fair housing agencies across the country, disability-related calls represent by far the greatest number of fair housing cases we handle. Many of these are related to possible reasonable accommodations, which I'll come back to. Disability is followed by race and then national origin discrimination, with a small percentage of complaints relating to gender and familial status discrimination.

Our most complex and resource-intensive cases, however, this past year have been related to race discrimination cases we've seen in the appraisal process. I will come back to that. But you'll see, you know, 61% complaints related to disability. And for us, it's been anywhere between 55% to 70% every year related to disability. And then followed by 14% complaints of race discrimination. 10% related to national origin discrimination. 5% related to gender discrimination. Also 5% related to familial status discrimination. And just 1% for both religious discrimination and discrimination based upon color.

So looking at our complaints alleging fair housing violations under state law. You'll notice that the greatest number of complaints right at the top there is related to source of income discrimination. Since California passed a law that went into effect in 2020, making it illegal to discriminate against Housing Choice Voucher recipients, we've had an increase in the number

of cases of source of income discrimination. Our systemic investigations on source of income discrimination have made it very clear that this number is likely to grow the more we bring cases and do outreach around the law and rights of voucher recipients. I know that this is not universal across the country. But certainly, source of income discrimination is something that more of us as fair housing agencies have been looking at as disparate impact, as a disparate impact issue related to race and national origin and so on.

So 8% of our complaints alleged source of income discrimination. 5% are related to gender, gender identity, and gender expression discrimination. 1% allege age discrimination. As well as 1% on the basis of sexual orientation. And slightly under 1% for related to both marital status discrimination and then something we call arbitrary discrimination, where it's basically illegal to discriminate against somebody or any arbitrary reason that has nothing to do with their ability to be a good renter, a good tenant, a good borrower. Et cetera.

So what FHIPs can do to support housing counselors. I'm going to say things that seem very obvious, but sometimes I think we don't really think about as we're, you know, working so hard every day to address the issues before us. But the FHIPs should reach out to HUD housing counseling agencies in their area to let housing counselors know the kinds of things they're seeing and how to identify fair housing issues.

I'm going to talk more about this shortly, but I will say this. In those cases where the FHIP agency is also a HUD housing counseling agency, it really is so important as I indicated before that there is a connection between the Fair Housing Department and pre-purchase, of the HUD housing counseling. In our case, we actually have some cross-pollination. I mentioned before that we didn't often have good connections between the departments. But one of the things that we found was really helpful is we have some cross-pollination because our foreclosure prevention counselor was first trained as an intake coordinator and learned how to recognize fair housing issues. And our education director who had been doing fair housing education and outreach for years began doing our pre-purchase program. That's really been useful for us in making those connections.

It's also important to let HUD housing counseling agencies know what they can do. What the FHIP can do. Investigations. That may include fair housing testing. Since fair housing violations can be difficult to prove without that testing evidence. And, you know, we think as FHIP agencies about testing as being so, you know, that's our bread and butter. We do it all the time. But not as you probably know, not everybody knows what testing is all about. And making sure that they know the testing is available.

Intervention. A fair housing counselor may be able to contact the housing provider and lender to explain the fair housing issues involved and reach a satisfactory resolution. And, of course, without ever going further -- without that ever going further. Of course, the direction of a case will depend on the fact pattern as well as what the client desires as the outcome.

And then there is the representation and the administrative complaint process or even a referral to a fair housing attorney to file a lawsuit. And what HUD housing counseling agencies may not know is fair housing agencies have standing to bring a case themselves. And here's where the FHIP/FHAP relationship can also be very important. We recently reached a settlement in a case that we referred to the California Department of Fair Employment and Housing which is California's FHAP in a source of income discrimination case. We had a client come to us because she had been told by her property manager they didn't accept Section 8.

While she ultimately chose to live somewhere else and didn't pursue the claim, we sent several testers to the property. They were all told no Section 8. You can't join our waiting list. We don't accept Section 8. So we filed a complaint as an agency after doing some education and outreach activities and so on. And our FHAP, the California Department of Fair Employment and Housing, which has an excellent mediation program, helped us settle the case through their mediation program for \$25,000. Fair housing education and monitoring. And we did a press release on that which I think is going to be posted in the chat. If it hasn't already. And I know it's going to be available in follow-up materials.

So the next question I'm going to focus on is what should housing counselors be on the lookout for? What kind of fact patterns or trends should be brought to FHIPs and FHAPs? Now, what I'm about to tell you, what I'm about to share with you, is just kind of tip of the iceberg. And it's going to depend on, you know, the fair housing organization. It's going to depend on the area that -- the geographic area being served. What the issues are. That's why ongoing communication is so important. Because of the fact that it's going to be -- there are always going to be updates. Here are the emerging issues. Here's what we're seeing in terms of increases and so on.

In terms of rental issues. Disability-related housing needs, issues, and complaints are as I mentioned before most common, especially the need for reasonable accommodations. From the application stage to the eviction stage. Everyone knows about requesting reasonable accommodations. Well, I should say, almost everyone knows about requesting reasonable accommodations under the Fair Housing Act for people with disabilities when it comes to service animals and emergency -- and emotional support animals.

There are other links that can be made that may not be as obvious to a housing counselor assisting someone with a landlord/tenant issue. For example, someone who's living in a rehab center has a lack of rental history, but they can't be dinged for that under the Fair Housing Act. They would need to request a reasonable accommodation, of course. That's something that enters into a disability need. Anxiety affecting a tenant's daily life activity. That might result in requesting more time before a landlord inspects the unit. Habitability. Not enforcing a no-smoking policy or a landlord not evading mold or other repairs affecting the tenant's health is also a bases of reasonable accommodation requests. Getting out of a lease early, needing extra time to move. That's a link to a disability. You know, basically, you want to look for the connection between a person's disability and their housing issue to see if fair housing can be through a request of a reasonable accommodation.

So those are the kinds of issues that sometimes it requires a lot of nuancing. And it's the kind of ongoing connection between the FHIP organization and the HUD housing counseling organization to make sure that there's an understanding of what might be the basis for requesting a reasonable accommodation for a fair housing referral.

Some other issues that are not disability related. Domestic violence and gender discrimination. We've seen this come up most often when someone is being evicted even though they are the victim of experiencing abuse because the police have been called out too often. Or when a woman is trying to break her lease early because she's trying to move somewhere safe to get away from her attacker. Those are the kinds of things that may come up as regular landlord/tenant issues. Once you start to dig, it's clear that it's a fair housing issue.

Harassment. That can clearly be linked to protected -- the question is, you know, can it be

linked to a protected class status? If it is, it's a fair housing issue. Are they being harassed because they're Latinx? Because they're African-American? A single mother? Are there others of a similar protected class being treated the same way? Then you have a fair housing case. Criminal history. We know, in fact, HUD recently I think earlier this week released some guidance on this particular issue. Criminal history. Barriers to renting for people with arrest records and convictions. Particularly, for people of color. It has a disparate impact.

Race and national origin. Making repairs only for white people. The white non-Latinx tenants in the building and not for people of color. Especially, if there are language barriers. I know that Lot is going to be talking more about LEP and language issues in his talk. During his presentation.

Familial status. No kids on the second floor. You know, evictions related to lease violations. Any time there's a big issue around noise of kids playing in common areas. Just sort of normal kid behavior. Having overly restrictive occupancy units. Steering to certain parts of the complex where all the families with kids are housed in the same section. Those are, obviously, fair housing issues. Those are the kinds of connections you want to make for HUD housing counseling agencies as a FHIP. Excuse me. And source of income discrimination. Disparate impact or whatever the state protections are that you want to be able to communicate.

When it comes to homeownership issues, denial of loans, inferior terms and conditions, the purchase, refis, home equity loans, that may be due to race, national, or gender discrimination. We've been doing some lending testing related to policies of lenders around parental leave and are finding evidence of gender and familial status discrimination.

Appraisal bias which I mentioned before. We've seen some race discrimination around appraisal bias. Bias in the appraisal process. That can also lead to a denial of loans or, worse, terms and conditions. Particularly, with the very low interest rates in the past year, we've seen a number of race discrimination cases in the appraisal process, as more people were refinancing. And we have seen cases where the discrimination was occurring with an individual appraiser. The appraisal management company. The lender. Or sometimes all three. Sometimes it seemed clear that the buy ideas was related to the race of the owner or the borrower. Other times, it was combined with the undervaluation of homes located in neighborhoods of color.

One thing that I wanted to say, again, it seems sort of, you know, something that is self-evident. But it's really important not to discount concerns of clients when they come to an agency for help. Because we know -- we as the experts may know what the issue is and we jump to certain kinds of conclusions. But to really listen to the client about their experience and what it is that they're looking for as an outcome.

Sometimes homeowners or prospective homeowners have no idea they experienced discrimination. Other times, they have an idea that something was very wrong in the process they went through in trying to buy a house or get a loan. So that's where the listening part really comes in.

And finally, I want to talk about best practices and how fair housing organizations can support fair lending through enforcement.

First and foremost, I'll go back to my original comment and that is that it is really important to form strong partnerships with HUD housing counseling agencies for the best possible referrals.

Obviously, that's true for forming the strongest-possible partnerships with HUD and FHAPs as well. These, again, may seem self-explanatory. Often, fair housing agencies deal primarily with sort of what's in front of them and fair housing issues that are -- I'll just also go back to how important education and outreach is. Including media coverage. And I will talk about that in a moment.

Educating homeowners means they can better understand when they should call a fair housing agency. Oftentimes, when we follow-up with testing to prove that discrimination has occurred, we tend to focus on rental testing. We know it's easier to conduct than sales, appraisal, lending, or insurance testing. One of the things that tends to happen with a lot of fair housing organizations is that they deal with renters because that's who comes to them. That's where they build up their fair housing expertise. That was certainly our experience. They haven't dealt much with lending issues. Homeowners, prospective homeowners don't know where to go unless it's a HUD fair housing agency that knows where to refer them. They don't come to fair housing organizations with appraisal cases, sales cases or lending issues.

Even if it seems like there's not much of a demand in this area, it's incumbent as FHIPs to learn how to address and investigate these cases. If you build your capacity, they will come. So write the activities into a grant. Put in for money to hire experts like NFHTA to train your staff so you'll learn how to investigate and enforce fair lending laws. To really be able to build and expand the ability to handle more complex cases involving homeowners and prospective homeowners.

For our organization -- this is, by the way, how you'll learn how best to investigate and enforce fair lending laws. For our organization, we haven't consistently done much in the way of lending, appraisal discrimination investigation. We got one appraisal case and that ballooned into a bunch of cases. It all happened because one reporter who was really interested in the issue of appraisal bias at the beginning of last year reached out. We began talking. To this day, he's still referring complaints to us. So we started from scratch to learn about how to investigate these issues. And we reached out to everybody in the fair housing field. And the appraisal world. To start learning how best to investigate these cases. We don't start with subject expertise, but you build it over time. Certainly, when it comes to lending issues, those collaborations and communications with the HUD housing counseling agencies where they have well-developed foreclosure prevention and pre-purchase education and counseling programs, where you start to kind of learn more and more about the lending process.

So I could not -- I'm going to end there. But I will also just say that the media connection, you know, I mentioned that I did this -- we did this press release that was dropped into the chat. One of the things about press releases that is so important, and this is what I want to end with, is that you are making -- you're not just saying, oh, look, as a fair housing agency or FHIP agency, look at all the work that we did. It's not just for reporting purposes. This is the opportunity to be able to share with the community, both your local community and the broader community, so that everybody understands what the fair housing issues are. And the best part is that you're not only educating the community about people's fair housing rights but you're also educating housing providers on how to, you know, that there are penalties if they are discriminating in any way and that they have discriminatory policies and practices.

I am going to share with you, here's the information about how to reach me. Or you can visit our website for more information about our organization. And I will turn it back over to you, Cashauna.

CASHAUNA HILL: [0:58:19] Thank you so much, Caroline. And before we move on, I do just want to ask one specific follow-up question of you. One of the attendees is wondering if you could just say a little bit more about the ways in which policies around domestic violence or that impact domestic violence survivors can constitute gender discrimination. I think this is an important question to ask now as a follow-up so that as we move forward in learning, we all have the same foundational level of understanding of some of these terms and concepts. So could you just say a little bit more about how policies that impact domestic violence survivors can constitute gender discrimination under the Fair Housing Act, if you wouldn't mind?

CAROLINE PEATTIE: [0:59:08] Sure. A lot of it has to do with the disparate -- the fact that it's a disparate impact. There's a disparate impact. Particularly, on women. Now, it's very -- I certainly want to acknowledge that domestic violence can happen to women as well as to men. But the preponderance of domestic violence victims are women. And, therefore, when there are discriminatory policies that where the focus, or rather, the outcome of housing provider's policy further victimizes the person who is the abused person. So, for example, too many police -- too many calls to the police and too much police activity and, therefore, the person being abused who is usually a woman is being evicted. That's an example of where there's a disparate impact. You can use, again, this disparate impact idea of how the policy is affecting women in a more negative way.

CASHAUNA HILL: [1:00:26] Thanks so much, Caroline. Appreciate the clarification before we move on. As we move on, one additional reminder to all of today's attendees that today's slide deck is available on the forum page on HUD Exchange. And other materials, including today's event recording, will be available on HUD Exchange soon after the event. Please also make sure to submit any questions that you have using the Q&A box, as we'll move to that portion of the event after our final panelist.

That final panelist is Lot Diaz who will share how housing counseling benefits traditionally underserved communities. He'll also share tools that organizations use to provide language access to persons who have limited English proficiency. How to address fair housing issues in those communities. Best practices. And how housing counseling can be used as a tool to increase wealth in under-resourced communities. Lot, over to you.

LOT DIAZ: [1:01:37] Thanks, Cashauna. Let me just get the screen up. Takes a second. The beginning. Okay. Hopefully everybody can see the screen appropriately. First of all, I want to thank the National Fair Housing Training Academy for giving me a chance to speak. The fair housing issues are ones that have lingered for many years. And have changed in character as technology and society has not moved forward. Again, it's an issue that we always have continued facing and have to address one way or the other.

Who am I? I work for UnidosUS, formerly known as National Council of La Raza. We changed our name about five years ago, four years ago now. And, but although that's changed, we still have not changed our mission, which is trying to combine a unique combination of research advocacy and programming with the national network. We're a member-based organization. We have nearly 300 members across the country in all forms of service. Generally, they're service providers in education, health, housing, and workforce.

Since our founding many years ago, you know, we've always had pretty much the same mission. It's evolved as issues have changed in society. But we really want to facilitate the removal of

any barriers that prevents Latino families and individuals from having their contributions fairly recognized within American society.

Again, it's work that we've been doing for many years and continue to do so.

I always like to start the presentation with just a kind of a snapshot of Latino demographics. We're currently about 18% of the population. 80% have lived in the U.S. greater than ten years. Eight out of ten are U.S. citizens. Most common age is 31. Which compares to 27 for blacks, 29 for Asians, and 58 for whites. 24% of the Latino population responds to as Afro-Latino. When they respond to the race question. We traditionally have and continue to have a high workforce participation rate. And the Latino median income is 78% of whites and net worth, 34% of whites to give some comparative. It's a population that is moving. Where initially, it's generally driven by economics and/or war and political discord in countries. And people needing to move because of that. Historically, it's been the biggest driver of population has been to work in agricultural areas, particularly in California, the southwest. And earlier, late in the last century, the meat-packing areas in Chicago. So, and now, you know, jobs exist, they tend to attract the Latino population in quest of economic betterment.

What I'm going to address is kind of, first of all, fair housing for us has always been an issue of importance. We have, you know, as I mentioned earlier, we have been around for almost 50 years. The way we work is through policy. We do a lot of advocacy here in D.C. We also do a lot of programming with local agencies in market. And we do it in health -- I mentioned earlier, we have health programs. We have education programs. Workforce programs. And probably our largest footprint is in housing. And as such, you know, our biggest program within that is Housing Counseling Network, we have nearly 50 agencies working across the country and about 28 states.

So we've been intersecting in our case, for them to be an affiliate with us, they have to provide bilingual services minimally. In the case of -- have Spanish-speaking staff. In some cases, which is a basic minimum. And offer, provide tools and communication in both languages because, again, most -- we're in areas where the Latino population is growing large.

What I want to do here with this is give a thumbnail -- I know Ibijoke did a great job. She mentioned there's about 1,900 of these agencies across the country. About a million served in 2020. Right? If you break down a little bit of who they're serving, 55% are LMI borrowers. 87% are under 100% of AMI in their community. Over 70% are communities of color. You see the target population being hit by housing counseling is really a population of the country, with all the discussion on wealth discrepancy and income discrepancy. It's a population that housing counselors serve, themselves.

In our particular network, we have 79% are LMI. Little higher than the national average. 87% are under 100% AMI. Over 80% come from communities of color. To put a thumbnail of that number, 65% are Latino in national origin or ethnicity.

The second thing about housing counseling, we've been growing since the foreclosure crisis initially and now with the pandemic, it's gotten additional impetus. That's financial coaching. It's become a critical component of how we're delivering services not as a housing counseling agency or partners. What financial coaching is, it has similarity and grew out of the housing counseling platform with a focus on budget, savings and credit. What we have noticed because we have affiliates doing health, education, workforce. Housing is not the only goal that families

have when working with an agency. We wanted to insert a service that increased financial management capacity of individuals. Make sure they understood kind of some basics of credit. And, essentially, be able to think about developing a financial plan for them or their families. As they're incurring services from another one of our affiliated agencies.

So we've been growing financial coaching in that platform dramatically in the last five years. And, again, I think that is a second thing to this, with the pandemic and particularly with renters. Renters have always, you know, they've been a smaller point of the portfolio. As mentioned before. But they -- how you can support them, well, the basic things are your landlord issues, which is a very common thing. Another one is emergency assistance. Many of our agencies are partnering with local government to deliver emergency assistance when it's available. And more recently, the rental systems program. They were an access point for that program.

So in the cases where there is assistance like there was recently because of the pandemic, rental clients become more prevalent.

The issue, though, for us, is we wanted to make in addition to whatever the emergency assistance intervention might have helped, another way to help families is to make sure you can broaden the knowledge in the environment where they're working. For us, that means really understanding credit scores, savings, and management of just their finances is impacting their individual lives. So that whole platform where financial coaching has grown tremendously for us and will probably continue to grow.

I want to throw this in. This is essentially kind of what I'll say are conclusions of why our counseling and coaching works with the clients that our agency serves in local communities. Some of them are pretty self-evident. I mentioned access to emergency assistance. In the home-buying process, as Ibijoke mentioned, they're providing advice and information in a non-sales environment which is very important in a pre-purchase -- when someone is trying to buy a home or looking to buy a home. It also is true in default situations where a family is behind on their mortgage and they know they're behind in their mortgage and they know the servicer is, like, calling them and sending them. And it's really hard to feel -- it's hard to be transparent when you think you got everything to lose. So a third-party organization, third-party service like housing counseling, can really facilitate. Studies have shown that impact has had -- really makes a difference in what an outcome and default situation a family actually achieves.

The education provided, access to down payment assistance, particularly in city programs, usually is coupled with housing counseling. Just to make sure the basics are understood before the purchase happens.

Probably the most interesting thing for us as an institution has been the change of client mix from before the foreclosure crisis which Caroline mentioned. 2009 was really when it really was fully noticed by the country. Before that, our client mix was almost 70%-80% pre-purchase. In other words, people seeking to purchase a home either through home-buying education or pre-purchase counseling.

Since, with the combination of the foreclosure crisis and the pandemic, what is kind of more commonly known in housing stability counseling which is really finding renters and homeowners who are in distress with their housing situation, has really flipped the client mix

for our agencies for where now only about 40% of our agencies are doing pre-purchase. And the remainder is rental and default.

And the other thing that's changed a lot for our agencies is the how to manage the modes of counseling. So before, again, before the foreclosure crisis, it was all -- probably during the foreclosure crisis, it was all in-person, local-office-type interaction. Obviously, the pandemic changed that. And what we're just trying to, at least our agencies are coming to realize is, okay, what is the impact of that change? And so what we found is telephonic and virtual counseling are increasing a lot. And we're actually heavily involved in that and using -- which I'll go through in a later slide. To essentially expand access to the service, to more families. And to leverage other resources that our agencies have.

So the mode of counseling which was traditionally in-person counseling, is still very prevalent. I don't want to give the indication that it's going away. But because of location, safety, and all these other needs, other modes of counseling are becoming -- are coming into focus in a way that I've not seen before.

I'm going to show this slide for a couple reasons. This is really, it's meant -- the real interesting thing about this slide is not so much what the numbers or data that's on it. It's for us they're really connected. And this is a word to kind of -- I know Caroline's word on how housing counselors and FHIPs, in particular, can work more closely together. The way we structured our programming and there are four basic programs that we work with affiliates on. Housing Counseling Services, which is our Wealth and Housing Alliance has been around since 1997. It's kind of our flagship program. But in 2010, we started, because of the foreclosure crisis, created, started telephonic counseling which has increased over time. And increased quite a bit during the pandemic. We offer training as well. And as I mentioned earlier, financial coaching.

The interconnection here is what is interesting. Meaning that our housing counseling agencies will be partnering with any one of these. They'll provide training under learning alliance, be contracted on a fee-for-service basis for telephonic counseling. Similarly, they'll be doing financial coaching with another affiliate who's working in a day care center and they have clients that integrated financial coaching into their program.

I mention it because I think this is what's missing in a FHIP. Local fair housing agency. There's lots of good reasons for it. Maybe if there's time, we can go into those. It's really hard, the transaction, to get a family -- there's a knowledge thing that Caroline very well said. You know, does a family know and all those things. But even getting a referral over to if a housing counselor thinks there's been a fair housing issue, kind of making that -- getting that, progressing that family, which becomes a very technical process pretty quickly is not easy. And so kind of working in ways to do that. So I just wanted to share that as well.

Yeah. Okay. This slide really focuses on some of the idiosyncrasies related to the Latino community and limited -- in many cases, you know, oops -- in many cases, language is a major barrier. It's been mentioned many times. In fair housing, for instance, very few of the cases come from Latino population. Because, and why is that? Well, I think the primary reason is awareness. I think Caroline -- I mean, there's not a lot of money-making people aware of fair housing issues. What it is, education, as Caroline very clearly pointed out. That's a huge issue in the Latino community. Right? So we're a small fraction of the housing discriminatory complaints you'll see each year.

The second kind of major issue within the Latino community is immigration. Anything, issues around immigration. I think the real benefit to kind of connect some of the immigration work being done as it relates to fair housing and connect those issues more intimately. I mean, there's times -- immigration, how it's perceived in this country changes over time. Recently came out a pretty hostile period. Now maybe it's a little less hostile at least in the rhetoric. All those, in some communities, particularly, that can really contribute to an increase in housing discrimination for Latino families. And create obstacles to equal access to housing as well.

So the immigration issue and the related one in that is deportation. This probably relates to some of the complaint issues. Many Latino families are not undocumented. Many of them are mixed status. So you'll have, you know, U.S. citizens or permanent residents and an undocumented in the same household. That can be really scary in times where enforcement is, you know, with not too long in recent past, breaking up families was a story we'd see in the news almost every day. That's pretty scary to a family who has various -- there's mixed documentation in the household. So, you know, kind of messaging around that, making folks understand that, is kind of a critical element.

I have a couple here -- a couple in California. A bill that protects tenants on deportation threats and address some of that issue. I mean, the goal, the thing is that immigration status, does that trump your fair housing rights? And what I think many in our community would say would say no.

The last one I put is the obvious one, which is kind of the language barrier can limit housing options. Information is probably one of the most critical factors as people seek housing options or dealing with resolving a housing issue. And that can sometimes be limited dramatically depending on their comfort with English.

I wanted to add a couple examples in which how our agencies attack the issue. As Ibijoke mentioned before, fair housing is built into the education and counseling processes. HUD housing counseling agencies. So that's kind of first and foremost.

But then there's other kinds of partnerships they formed. So partnerships with housing authorities to support Family Self-Sufficiency Programs is a common -- we had quite a few examples of that. And the idea here is really to provide referral and resources to support families moving from rental to homeownership. So that's a common way that we're working with them.

We have an agency who does a lot of development and builds into their education materials tenant rights, work stabilization workshops and the like. They use that as a mode to intersect.

DC, CARECEN, screens all clients from the start of counseling to surface possible incidences of fair housing discrimination. There are different strategies deployed with agencies and a lot depends on the profile of the agency, themselves, and the community that they're serving.

Our agency has historically and still is really focused on increasing Latino homeownership because of the wealth-building aspects of homeownership. And so we pay a lot of attention to fair lending challenges in the mortgage market. We plan to start a new initiative this coming year to really focus on these issues.

And so some of the -- these three bullets are kind of common ones that are kind of, we deal

with constantly in various formats. Increasing access to credit opportunities. Through partnerships with lenders and advocacy here in D.C. Advocacy, advocating for change. You know, having a workforce in these private companies that reflect the ethnic and racial composition of the markets that they serve. It's known that if you have an individual, at least National Association of Hispanic Real Estate Professionals has said many times it matters that a family, individual, works and comes from a community. Because their desire to serve that community increases. So getting more of that to reflect composition is going to be critical.

Alternative credit is another issue to kind of overcome the credit score barrier that many families face hitting the mortgage markets.

And I'm going to end in the fair lending area with kind of the more recently emerging things that we're seeing. And because I think partly because we're developing a lot of this material in preparation to really kind of expand access to mortgage credit.

So the three that I put, there's probably more than these. But there are three that really come to mind. One was mentioned around appraisals. Appraisal bias. It's also in software. Rules-based software is really dominant in the mortgage markets, both servicing and in the origination side. And, you know, these are basically private engines that can be, you know, obviously, changed depending on what they want to emphasize. It leads to leaving people out and not including others based on some characteristics. And so, and the fact that it's not transparent makes it really hard to figure out is there bias embedded in these models or not? So, you know, kind of discussing and putting these issues forward is going to be an area of growing concern as things go forward.

Rapid rise of non-QM lending. QM, for those of you who remember Dodd/Frank, was the standard program of what is considered a safe mortgage. That includes the ability to pay, affirming the borrower's ability to pay on that mortgage. Non-QM was initially thought, you know, to be those loan characteristics outside that strict box but consumers would really want and use less for their various mortgage needs. Well, that is kind of like what happened back in the early 2000s when sub-prime lending started to emerge. And the concern here is the rise of more products in this category has to be watched closely because it is like the re-emergence of sub-prime lending that really brought, from my perspective, was the main reason for the downfall of the -- the cause of the foreclosure crisis.

And then the last one here is builders. Preferred lender incentives. This is a little arcane. When subdivisions are built, builders can offer financing. It's a way for them to layer other profit centers into the whole project. And encourage people to use that financing through, you know, givebacks. You know, free upgrades. You know, bennies to their house. Lower transaction costs to using their financing. The problem here is it's, you know, if you don't use their financing because whatever, whatever reason, you're being discriminated because just for that. You're still paying this money for the house. But the lenders -- the builder is preferring to take advantage of them if you use their lender and give you benefits in return. And it's not necessarily -- it's fraught with the ability to discriminate. So that's an area that particularly if building, home starts start again, I know this is kind of a tough time for that. Because of just supply issues and just the economy, economic issues are in flux. But time never stays still. Eventually, home starts will begin again.

So I wanted to end with that. And Cashauna, I'll give it back to you.

CASHAUNA HILL: [1:28:42] Thanks so much, Lot. And thanks to all of our panelists. Each of your presentations were very informative.

So based on what you all have shared, we do have questions that have been coming in. So with that, we'll move officially to the question & answer portion of today's event. And I do want to encourage everyone to please continue submitting those questions as we proceed with the conversation.

So I wanted to start with a question about low-income homeownership. So I know that I come from a place, working in a place in New Orleans, where there actually has been a long history of working-class individuals, low-income individuals, having an opportunity to become homeowners. Obviously, things continue to look a little differently, you know, the further along with get in this current housing market. And those opportunities become fewer and farther between. However, we do locally have a very robust Housing Choice Voucher Holder Homeownership Program that is administered by our Housing Authority.

So the question that I wanted to start off with is if the local Housing Choice Voucher Office or local Housing Authority participates in the Voucher Homeownership Program, when is the best time for fair housing agencies or offices to recommend that voucher holders start that process? And is accessing this program something that housing counseling agencies can assist with? Does anyone want to chime in or have any experience working with low-income homeowners? And then if not, if anyone doesn't have that specific experience, I'm also wondering for people who may be in areas that don't administer a Housing Choice Voucher Homeownership Program, is there an opportunity for fair housing agencies and housing counseling agencies to collaborate and engage the Housing Authority in a conversation about starting to offer this kind of program?

IBIJOKE AKINBOWALE: [1:31:05] I'll chime in here. Cashauna, thank you for this question. I do love it, indeed. I feel like now weekly, Lot and I are finding ourselves in conversations regarding advocacy on this issue. I think homeownership is obviously important. The issue that we are in across the country in terms of the affordability in housing stock and how do we help consumers and even extremely low-income consumers move into homeownership, make it a plausible opportunity for more Americans? Is something that's significantly important and something this particular administration cares a great deal about.

I would recommend housing counseling, specifically, at any period and point in time. Housing counselors, obviously, help folks with budgeting under normal circumstances and also under emergency circumstances much like what this pandemic has posed for many, if not all, of us. Some special considerations is that a lot of consumers had barriers to homeownership prior to the pandemic. This pandemic has only worsened that. If folks may have had issues with savings, it made it a little more challenging to do. We're in a market that's experiencing inflation. Folks have had a significant need for rental assistance and rental counseling to avoid eviction. We know eviction only adds additional barriers to pursuing any level of housing.

And so my recommendation, overall, is while there are certain services and topics that counselors focus on like pre-purchase, post-purchase, and foreclosure, it really is the nitty-gritty that the counselors get to in terms of how do you develop a budget and a savings plan? If you're interested in moving into homeownership, how far off are you from qualifying for products and services that are within your credit score and your savings range? How much home can you afford to buy in? What markets -- are you in a market that really can support

your move into homeownership? Is there certain down payment assistance that you qualify for? If you have a voucher, I will say counselors are able to -- these are still options and areas that you still need to explore. And so counselors can be a supportive element of that. Clients often go through an authorization process. And this gives the counselor the ability to speak with any person that is connecting with them as a part of their goal to homeownership. From a lender, to case management staff that may be helping to support clients that have vouchers.

I will say that the voucher is one of the most underutilized tools when it comes to pursuing homeownership. An area of interest in working with our fair housing partners, and even with our partners that are helping consumers to exit homelessness, is we expand the conversation about what homeownership is. Yes, it is important to be housed. But housing and ownership is something that should be a greater opportunity for all Americans.

CAROLINE PEATTIE: [1:34:33] Can I add one thing to that?

CASHAUNA HILL: [1:34:35] Please, yes, Caroline.

CAROLINE PEATTIE: [1:34:36] I just want to go back to the idea of developing programs for moving, being able to move folks from Section -- help Section 8 recipients move to homeownership. That is as different jurisdictions are interested and involved in developing those programs, fair housing agencies can certainly work with them to develop race-conscious policies with a fair housing lender so they can help that jurisdiction to affirmatively further fair housing while not violating any fair housing laws. So I think that's a really important piece that fair housing organizations can offer.

LOT DIAZ: [1:35:21] One last point on this. We did some work with HUD on kind of looking at the rental housing base. What they can do to move families out into -- out of Section 8 and into other forms of housing and ownership. And what was clear, the programs, there's too few of them. And so there's not -- I mean, we have in our affiliate, we probably have, like, four that are working with a local Housing Authority to move families from their unit into homeownership. The point is you probably need another, you need to double, triple, that program to really meet a demand that there's.

So part of it is, it comes down to budget and what they can do. I do know based on that exercise with HUD that they're really going to work to expand those programs. Because they realize they're just too small. And they're too costly for public housing authorities to administer sometimes. Because they're staff-intensive. You know, it's like, you know how COSPs are. They can be prohibitive of wanting to deliver a service. So I think they're looking really hard at those issues. They realize for their families, they want to be able to migrate the families into more self-sustainable situations. Whatever it may be. Homeownership is one of those options.

CASHAUNA HILL: [1:36:56] Thanks so much for everyone's input on that question.

Before we continue, I do want to take just one step back and answer a question around definitions that has come in. And, again, to ensure that everyone is with us as we proceed, we do have an attendee who is unclear about the difference between a FHIP and a FHAP agency. I fully understand that these are terms and acronyms that we all often use. So if anyone can just take a moment to explain the difference quickly, that would be much appreciated before we move on.

CAROLINE PEATTIE: [1:37:35] I'm happy to. A FHIP is a recipient of Fair Housing initiative's Program funding. It's all HUD funded. A FHIP organization is a non-profit fair housing organization, an independent organization, that receives fair housing initiatives program funding. We're a good example of that.

A FHAP agency, which is a Fair Housing Assistance Program, an agency which is an agency that is considered substantially equivalent to HUD in a particular region. Particular state. So in California, the state of California, we have the California Department of Fair Employment and Housing, which is our California FHAP receives money, funding, from HUD to enforce fair housing cases. Was that -- not as succinct as I wanted it to be. I don't know if other folks want to jump in and say something that --

IBIJOKE AKINBOWALE: [1:38:42] So a helpful example may be a FHIP may be an organization that is conducting investigations and will work with a FHAP to help on the enforcement of the complaints that they'd like to bring forward.

CASHAUNA HILL: [1:39:01] Thanks. I think that is super helpful. So we can continue. I also want to note that we have several questions that have been asked about appraisal discrimination and appraisal bias. So I don't want to derail our conversation because I understand that that specific topic is not necessarily here, what we're here to discuss today. But I do want to note that in the chat, anyone who is interested in finding out more information about appraisal bias, how it happens, how it occurs, how it's investigated. There are a multitude of resources that have been raised in the chat. This is definitely not just a California-specific issue. In fact, in the chat, you'll find stories from local and national press outlets detailing appraisal discrimination in Indiana, in Florida, in the Bay Area of California. So all across the country, this is an issue on which there has been a lot of attention from local and national press outlets.

You can also find in the chat links to two different press releases detailing work that Fair Housing Advocates of Northern California, Caroline's agency, work that they're doing around appraisal discrimination. So there are a variety of resources around appraisal discrimination in the chat. There's also links to two separate NFHTA forums that took place in May and September of 2021 on the topic of appraisal discrimination. So you can find lots of resources on that topic there.

So I did want to move into another question around how smaller grassroots organizations can begin a partnership with local HUD offices or housing counseling agencies to ensure that more people are brought into the realm of homeownership. So for smaller organizations that are working directly with community members that may have been historically excluded, how can those kinds of groups have fruitful partnerships with local HUD offices?

LOT DIAZ: [1:41:21] I can start on that. We do a fair amount of work on that place, in that area. Just, we have, because our organization is really composed of affiliates in local communities, some are large, some are small. The issue of getting services, depending on what they're doing, the issue is how can you connect two organizations' client referral systems together? It sounds really easy, but it's really difficult in practice.

So a couple things. We always encourage it. We'll have when markets, particularly, of fair housing or some particular project, like, workforce where housing is going to be embedded, we try to put those groups together in their discussions locally, right? What we're also doing, as I mentioned before -- for us, families, early housing counseling, called financial coaching in our

world. We want to connect those families to agencies that can provide that to them. So we're doing that with probably about 43 organizations in our network. So it's a matter of just getting them informed enough of how to get a referral set up to go to another organization and then providing a conduit for them to actually go there. And so that's kind of -- it's a great question. And, again, I think housing counseling organizations -- non-profits in general -- have to do more of this to kind of make the space between them a little smaller.

And so there's a lot of work that is being done and can be done in that space.

IBIJOKE AKINBOWALE: [1:43:08] If I could quickly chime in.

CASHAUNA HILL: [1:43:10] Absolutely. Please.

IBIJOKE AKINBOWALE: [1:43:11] A couple of recommendations for our local folks. Don't wait until the funding opportunity introduces itself to introduce the services you provide. Let the community know what services that you're providing and suggest opportunities for collaboration.

Another fantastic resource is always going to be your parent organization. And so for housing counseling agencies, that might be your intermediary program. That might be HUD directly. And even for your FHIPs and FHAPs and other fair housing partners on the leadership, that may be your HUD point of contact as well.

There are a lot of mandates for collaboration and for making these community connections through your federal funding. And so often fantastic resources in helping us bridge the gap and make referrals and recommendations to others and introductions to other community partners within our area and lines of service.

And so if you are missing a link in terms of referrals and connections, that may also be a good avenue to plug into.

CASHAUNA HILL: [1:44:24] Thank you so much. Okay. So we'll move on to our next question. Lot, this is actually a question for you. Someone had a term, a question about the term, non-QM lending that you referred to. They're just wondering what the definition of that would be.

LOT DIAZ: [1:44:40] Yeah. I apologize for that. QM lending is a standard that CFPB established for what they consider a safe and standard mortgage. If you're going to be an approved lender, under QM, you'll have to conform to. They're credit characteristics of the borrower. The most important thing is the ability to pay. In other words, you can't give a loan to someone who can't pay it back, essentially.

Non-QM, either you can do other features. It wouldn't be sanctioned to QM. That's why I call it non-QM. But there is origination rules still in place for non-QM loans. But the characteristics of the loan can go to higher debt to income. It can be higher cost. It can cover, for example, there's a mortgage that includes mortgage rehab expenses. You get extra just to rehab your home. Right? That may not fit under a QM loan. So they'll add features to that loan. That CFPB would consider not in the box. Right?

And the concern around non-QM lending, then, since it's not in the box, and as long as they

comply with the origination rules, which are separate from QM rules, the features of those loans can go -- can be predatory. Easily become predatory. So that's why, you know, watching that particular trend in the industry is important.

CASHAUNA HILL: [1:46:23] Great. Thank you for that clarification.

So if we turn back to the idea, I think it was Ibijoke who mentioned earlier how there are so many pressures on people seeking to become homeowners and various things going on in the markets across the country. And so we have a question from someone who states that in their community, investment firms are aggressively buying lower-priced housing stock. Therefore, pricing out many first-time and low-income homeowners -- or home seekers -- from the market. Particularly, buyers who belong to groups already marginalized. So are any of you seeing that happening in communities in which you work? Do you have any insights or advice on what fair housing agencies and housing counseling agencies can do to bring light to this issue? And/or to provide some kind of relief and ensure that marginalized folks have access to homeownership?

IBIJOKE AKINBOWALE: [1:47:28] Thank you. That's a fantastic question. I know I sit on a number of working groups on how we address the homeownership gap in this country. And I'll tell you, no market has truthfully figured it out. We're really in a crises period when it comes to moving folks into homeownership and the barriers to doing that. Especially for LMI consumers and consumers of color, in general. They seem to be mounting every day.

So one thing in housing counseling, when we go to the Hill to ask for additional funding, the question is always what's the story? Because we know that the work that you do, it works. We know housing counseling is successful. And consumers that receive it, they're successful. If they're getting mortgages modified, they're getting them modified at greater rates than they would be able to do if they were doing it themselves. If they're moving into buying a home, they're more successful.

But what happens on the ground, nationally, obviously, we can do a significant amount of advocacy. It really is grassroots organizations on the ground, in the field, in these communities doing the work and having the assessments.

And so the best thing that you can do as fair housing organizations and housing counseling agencies is to tell the story of the work that you're doing. Tell your clients' story to anyone that will listen that's your funders. Both private and federally. Your federal stakeholders. Tell the local folks on the Hill. Call your congressmen and let them know the plight of your community and what's happening in their constituency. These are the things that they want to know. And oftentimes, when we are advocating for the solution to these barriers, there's not enough stories about what's happening with Mary in Massachusetts. Their congressman doesn't know. So they don't think that it's an important issue. And so they don't vote for funding. Or for the policies that solve these issues by and large. Tell your national and your federal stakeholders what is working in your community through your innovative projects. You know, is that, you know, more community-based organizations investing in manufactured housing? Is that a solution that is working in Montana? Is that a solution that we can replicate in other markets with comparable conditions across the country?

The more that we hear from you, the louder you champion the issues that you experience in the communities you serve, the better off we will be for solving what is truly a magnificent

crises.

In general, what you're commenting on in terms of this being a cash market, you know, I'm here in Washington, D.C. It is not uncommon for folks over or outbidding folks by six figures, cash buyers. I also live here in Ward 8 in Washington, D.C. In of my neighbors are below the poverty line. So the little stock that we do have here, these investor buyers are, obviously, eating it up. And so it does take real advocacy. It does take real innovation in terms of how do we address the stock. How do we call on all responsible in this ecosystem that we have here so that there's greater products that can meet our residents. That there are more opportunities for down payment assistance. That they are in, you know, a situation where they can combine some of these programs or subsidies and vouchers to move into homeownership.

But it's definitely a really robust issue that we can only tackle if you continue to tell the story of your clients and to share what's working locally for you in your markets.

CAROLINE PEATTIE: [1:51:28] Just a -- what you said was absolutely great. Just to add on to that really briefly is that there's all these different membership organizations. There are local organizations. There are state organizations. There are national organizations. And, for example, we are not only a member of the National Fair Housing Alliance, which does a lot of advocacy on the federal level, we're also a member of the California Reinvestment Coalition which is, you know, a member of the NCRC. The national group. So, and there's a lot of advocacy happening at the state level and we're always as fair housing organizations talking with the California Reinvestment Coalition about the issues that we're seeing in our communities.

And so those stories do get passed on. So, absolutely, what Ibijoke says is right on the money. You really want to connect with all these membership organizations to let them know what's going on.

CASHAUNA HILL: [1:52:30] Thanks so much. Lot, did you have anything to add there?

LOT DIAZ: [1:52:33] Yeah, it's a really important topic. The -- my only thing is during the foreclosure crisis, 10 million, about 10 million people, lost their homes. 5 million to 7 million went to investors and then became rentals. Right? And that process is still under way. There's a lot of advocacy, Ibijoke is part of, others, trying to change federal rules. Remember, all GSEs are federally owned now. They can write the rules of how they sell assets to some degree. So there's a real effort to want to have them change those rules to favor those buyers who could put it back in the market for sale rather than hold it as a rental opportunity.

So that's one issue that is telling your congressman, hey, why are you letting Fannie and Freddie sell those to investors? Have them come back into the market where our families can buy them. That would be a good message to send to your congressman on that. There's a fair amount of data on that, those who want to find out about it. That's a critical issue.

The second dynamic is markets, you know, family -- a lot of people are investing in housing now because they see it as an investment. I have friends who bought two homes, for instance, just because they want to create an income stream. Right? It's a change in how housing is being -- it's unclear how you adjust that, but Ibijoke is right, it's a local issue. How assets are bought and sold are not a federal issue. Those are a state issue. So if your concern there is really kind of jumping the weeds on what the state agencies controlling sales, real estate sales,

what their role is in this whole process and if there's anything that can be done there.

CASHAUNA HILL: [1:54:32] Thanks so much. Our time during the question & answer session has really zoomed by. And so with that, we are going to have to make that our last question and close out today's discussion.

Many thanks to our panelists for sharing your insight and expertise and for your very thoughtful responses to the questions posed today.

Thank you, all, for your participation in today's forum. Please check out the NFHTA website for a description and important information on registration for upcoming events.

Please also connect with the National Fair Housing Training Academy on LinkedIn for insights and information about upcoming events including future forums and courses.

Thanks to everyone who made today's event possible, including, as always, our American Sign Language interpreters.

Finally, please be on the lookout for a survey which will pop up when this training ends. The survey will allow you to provide feedback on today's event. Your feedback is critical to improving these forums. It shouldn't take very long at all to complete the anonymous survey. We highly value your input.

Thank you, all, again. We look forward to seeing you on the next NFHTA forum. Take care.