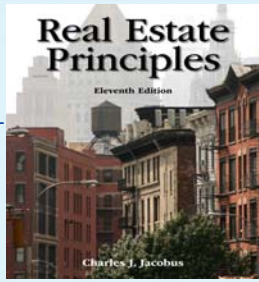


Chapter 22

Fair Housing, ADA,  
Equal Credit, and  
Community  
Reinvestment



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Fair Housing—History



- ▶ 1866 – Civil Rights Act
  - All citizens of the United States shall have the same right in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold and convey real and personal property.
- ▶ 1948 – *Shelley vs. Kramer*

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Fair Housing—History (cont.)

- ▶ 1968 – Civil Rights Act
  - Title VII of the act, the Fair Housing Act, outlaws discrimination in the sale or rental of housing on the basis of
    - Race, Color, Religion, or National Origin.
- ▶ 1968 – *Jones vs. Mayer*
- ▶ 1974 – Housing & Community Dev. Act
  - Gender
- ▶ 1988 – Fair Housing Amendment
  - Familial Status
  - Handicap



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## Fair Housing

- ♦ Race
- ♦ Color
- ♦ Religion
- ♦ Sex
- ♦ National Origin
- ♦ Handicap
- ♦ Familial Status



**EQUAL HOUSING  
OPPORTUNITY**

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### Fair Housing

1. Family status
2. Handicap

- Race
- Color
- Religion
- National origin
- Sex

### Equal Credit Opportunity Act

1. Public assistance
2. Age
3. Marital status

## Protected Classes

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## Illegal Acts

- ✓ Refusing to sell or rent to, deal, or negotiate with any person.
- ✓ Discriminating in the terms or conditions for buying or renting housing.
- ✓ Discriminating by advertising that housing is available only to persons of a certain race, color, religion, sex or national origin, those who are not handicapped, or adults only.

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## Illegal Acts (cont)

- ✓ Denying or making different terms or conditions for home loans by commercial lenders.
- ✓ Denying to anyone the use or participation in any real estate services, such as brokers' organizations, multiple listing services, or other facilities related to the selling or renting of housing.
- ✓ Steering or block-busting.

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## Steering

- ▶ The illegal practice of directing home seekers to particular neighborhoods.



## Blockbusting

- ▶ Inducing panic selling in a neighborhood for financial gain. (aka. panic peddling)

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## Exceptions from Fair Housing Laws

- ▶ Federal: private individual owns 3 or fewer single family dwellings if:
  - Broker not used
  - No discriminatory advertising
- ▶ Owner occupied 2 to 4 family dwellings
- ▶ Religious organizations and private clubs as long as organization does not discriminate.
- ▶ Certain housing for elderly

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## State and Local

- ▶ **Nebraska:** prohibits discrimination based on “race, color, religion, national origin, familial status or sex” and handicap
- ▶ **Lincoln:** prohibits discrimination based on “race, color, religion, sex, disability, familial status, national origin, ancestry or marital status.”

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## So Who Can You Discriminate Against?

- ▶ Students
- ▶ Law students, their friends, and family
- ▶ Real estate agents and landlords
- ▶ Lawyers, their staff, family and friends

**These are not protected classes BUT**  
Use objective credit information  
Use other objective criteria

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## Fair Housing Enforcement Complainant has burden of proof

File Complaint with....

- ▶ HUD:
  - Investigation
  - Finding of “Cause”
- ▶ Law suit:
  - After trial, damages may be awarded
- ▶ U.S. Attorney General:
  - Generally civil and criminal penalties and injunctive relief

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## Americans with Disabilities Act

- ▶ ADA enacted July 1992.
- ▶ Deals primarily with commercial property.
- ▶ Provides access requirements and prohibits discrimination against people with disabilities.



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## Community Reinvestment Act

- ▶ Expands the concept that needs of community must be addressed.
- ▶ Institution must post CRA notice in lobby.



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## Equal Credit Opportunity Act (ECOA)

- ▶ Prohibits discrimination in credit transactions based on “race, color, religion, national origin, sex, marital status, age (not including minors), receipt of income from public assistance and good faith exercise of rights under ECOA or other consumer protection act.
- ▶ Creditor prohibited from requiring certain information except for statistical purposes.

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### **“Notice of Adverse Action” (Credit Denial under ECOA)**

- ▶ Unable to verify credit references
- ▶ Temporary or irregular employment
- ▶ Insufficient length of employment
- ▶ Insufficient income
- ▶ Excessive obligations
- ▶ Inadequate collateral
- ▶ Too short a period of residency
- ▶ Delinquent credit obligation
- ▶ Incompleteness or fraud

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### **Key Terms**

- ▶ ADA
- ▶ Block busting
- ▶ CRA
- ▶ ECOA
- ▶ Familial status
- ▶ Handicapped
- ▶ Protected class
- ▶ Steering
- ▶ Tester

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