HUD Signals Next Fair Housing Fight: Disparate Impact

On June 20th, HUD issued a notice indicating the agency’s openness to making changes to HUD’s existing discriminatory effects regulation -- which outlines how disparate impact claims should be analyzed under the Fair Housing Act (FHA). "Disparate impact" is used to challenge housing practices that are not discriminatory on their face, but have a discriminatory effect on groups protected by the FHA.

NHLP and other advocates are concerned that HUD’s notice indicates the agency is considering changes that would scale back the regulation’s effectiveness in fighting discriminatory practices by exempting particular industries like insurance. HUD’s general counsel, Paul Compton, previously spoke about what he views as problematic aspects of disparate impact theory before joining the administration. NHLP is quoted in this Think Progress story on disparate impact.

HUD Budget Passes Senate & House Appropriation Committees

Following the bipartisan budget deal earlier this year, the FY 19 federal budget process has been relatively less contentious than previous years. The HUD budget has advanced through both the House and Senate Appropriations Committees, with both committees strongly rejecting the President’s proposed cuts to HUD programs. The National Low Income Housing Coalition has produced this helpful chart on the proposed funding levels for HUD and USDA housing programs. Additionally, NHLP produced this chart summarizing the key substantive policy provisions in the proposed appropriations bills. In addition to the FY 19 budget, Congress also recently rejected the President’s rescission proposal, which would have pulled back some of the already approved FY 18 funding for public housing capital needs and rural rental assistance.

Emerging Issues

More attention is being paid to the problems of lead paint and mold exposure in HUD housing. A House Financial Services subcommittee held an hearing on this issue. The subcommittee heard from testimony from advocates and experts on the scope and impact of lead paint and mold exposure in HUD housing.

Of Note

NHLP has two articles in the most recent issue of Rural Voices, a publication of the Housing Assistance Council. One article is on the suspension of the AFFH rule and the
oversight hearing on the issue on June 26 with excellent testimony from NHLP's friend Emily
Benfer from Yale. HUD Office of the Inspector General recently released a report that is
highly critical of HUD's efforts to deal with lead poising.

The Joint Center for Housing Studies of Harvard University just released their annual report, The
State of the Nation's Housing 2018. The report details soaring housing costs around the country, declining home ownership rate among young people and high cost burdens among renters.

The House Financial Services Committee held a HUD oversight hearing on June 27 with Secretary Carson. The hearing covered many issues and Carson reiterated that he is still advocating for HUD's benefit cuts proposal to increase rents and impose work requirements.

NHLP signed on to two letters to the Consumer Financial Protection Bureau. One is about rulemaking related to Property Assessed Clean Energy (PACE) loans where we have seen significant fraudulent and problematic lending. The other letter urges the CFPB to preserve and strengthen mortgage related regulations.

NHLP provided substantial comments on the next revision of the RAD Notice which governs public housing conversions under the Rental Assistance Demonstration Project.

NHLP regularly does a summary of key fair housing cases. That summary can be accessed here.

Last month the GAO released a report on Rural Housing Preservation issues. We have summarized that report here.

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