

HUD Guts Civil Rights Rule Used to Address Systemic Discrimination in the Housing Market on the Dawn of an Eviction and Foreclosure Crisis

FOR IMMEDIATE RELEASE: September 8, 2020

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National Consumer Law Center Advocates Urge HUD to Reverse Course and Restore Key Civil Rights Protections

Washington, D.C. - In a continuing campaign to weaken civil rights protections, the U.S. Department of Housing and Urban Development (HUD) announced a new rule that would gut key protections under the Fair Housing Act (FHA). The Act's disparate impact standard has been used for nearly 50 years to challenge the systemic discrimination that pervades housing, lending, insurance, and other financial institutions. The gutting of this rule comes on the heels of attempts to destroy other important requirements under the FHA. **National Consumer Law Center advocates call on HUD to immediately rescind the new rule and restore key civil rights protections.**

"The communities that were redlined in the past are the same communities suffering the brunt of the fallout from the COVID-19 pandemic, and are the same communities that will suffer from HUD destroying this rule." said **Odette Williamson, National Consumer Law Center attorney and director of NCLC's Racial Justice and Equal Economic Opportunity project.** "At a time when ordinary people are calling for racial justice, the very tools that were put in place decades ago to address toxic discrimination are being stripped away by the federal government. The people deserve better."

Disparate impact claims under the Fair Housing Act protect consumers against lending policies and other types of practices that appear neutral on their face but in practice unfairly harm certain groups of people. The rule has been used effectively for five decades to challenge housing discrimination, segregation, and the lending policies that strip wealth from communities of color.

The new regulations would make it harder to prove housing discrimination cases. Rather than allowing victims of alleged discrimination use statistical evidence to show that a developer or lender has policies that have a disparate impact on minorities — a right confirmed by the U.S. Supreme Court — HUD arbitrarily and without any legitimate justification has created enforcement hurdles that do not appear in the FHA that would require such plaintiffs to prove that the policies in question are "arbitrary, artificial, and unnecessary."

At a time when Black homeownership is at levels not seen since the 1960s, prior to the enactment of the FHA, HUD has inexplicably chosen to promulgate a rule that would make things worse. Now is the time to strengthen civil rights protections to provide all people with a fair opportunity to become homeowners or remain in their home if they suffer a hardship.