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# Searching for the American Dream:

## Creating a Fair Housing System that Works for Latinos

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- NCLR is the largest national constituency-based Hispanic organization, established to reduce poverty and discrimination and improve life opportunities for Hispanic Americans.
  - NCLR has been promoting fair housing practices for Latinos for more than two decades.

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- Fairness in the housing market is critical for all communities to flourish.
    - Housing discrimination contributes to neighborhood and school segregation. Residents of such neighborhoods have a reduced tax base, fewer city services, lower development priority, and miss out on new jobs and investments in new infrastructures typical of affluent White neighborhoods.
    - Housing discrimination undermines wealth creation in low-income and minority communities because their homes do not appreciate at the same rate as homes in predominantly White neighborhoods.
    - Housing discrimination undermines America's commitment to equal opportunity.

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- Overview of Housing Discrimination Against Latinos
  
  - The Return of Housing Discrimination
    - Housing discrimination is re-emerging as a major obstacle to Latino communities.
  
  - Enforcing Our Fair Housing Laws
    - The current enforcement system is not meeting the needs of Latino families
  
  - Recommendations
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# Overview of Housing Discrimination Against Latinos

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- The Fair Housing Act (FHA) (Title VIII of the Civil Rights Act) was passed in 1968 and prohibits discrimination on the basis of race, color, religion and national origin.
  - In 1988 FHA was amended, adding disability and familial status (the presence or anticipated presence of children under 18 in a household).

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- Major research documenting discrimination against Latinos in the housing market began in 1979.
  - Since then there has been at least ten major studies that test a variety of market factors and conditions.
  - These studies uncovered discrimination in the rental, homeownership, mortgage lending, and homeowner's insurance markets.

- Levels and methods of discrimination varied by area and market agent tested, however the following disparities were found between Latinos and their White peers:
  - According to the most recent study funded by the Department of Housing and Urban Development, Latinos face a 27% rate of discrimination in the rental market. For example, they were not given the same information regarding unit availability and price.
  - The same study determined that nearly Latino homeshoppers faced a 20% rate of discrimination and often were not given the same comparable information regarding unit availability and assistance with financing, and were often steered to neighborhoods that were predominately minority.
  - Other studies found similar levels of discrimination were found regardless of who was being tested: municipalities, property agents, real estate agents, and lenders.
- Several studies and law suits in the 1990s uncovered evidence of “redlining” by the homeowners insurance industry whose agencies were refusing to insure homes in certain neighborhoods or were offering less coverage for a higher premium to minority families or families living in predominately minority neighborhoods.



- Based on the rates of discrimination in the rental and for-sale markets and the number of complaints filed, it is clear that thousands of incidences of discrimination go unreported every year.
  - Often, this is due to a combination of families not knowing their rights and/or not being aware that they were discriminated against.
- There have been reports of discriminators using immigration status as a means of intimidation.
  - Many families cite fear of deportation as a reason for not coming forward, even if they are lawfully present.

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# The Return of Housing Discrimination

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- Housing discrimination is nothing new. However, changes in technology and the housing markets pose new challenges to the fair housing community.
    - Immigration
    - The Internet
    - Building and Zoning Ordinances
    - Steering

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- Recent anti-immigrant sentiments, especially in neighborhoods with recent immigrant communities, plays a role in increased discrimination.
  - The Internet is a growing resource for many homeseekers, but is not subject to the same scrutiny as traditional print media.

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- Little-known local laws are being used to discourage Latino families from moving into certain neighborhoods.
    - Selective code enforcement
    - Zoning ordinances
    - Eminent Domain

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- Abusive agents in the homebuying market continue to steer vulnerable Latino families.
    - Unethical lenders and mortgage brokers steer families toward unfavorable lending products.
    - Unethical real estate agents steer families toward certain neighborhoods.

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# Enforcing Our Fair Housing Laws

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- The current fair housing enforcement system does not work for Latinos.
    - Many Latino families are unaware of their basic rights.
      - Historically, there have been few Latino-focused community organizations engaged in fair housing.
      - Many families do not recognize they have been discriminated against.
    - Enforcement systems do not meet the needs of victims effectively.
      - Government enforcement systems do not proactively attack discrimination.
      - Hispanic families are underrepresented in federal cases and litigation and in complaints filed with private fair housing groups.



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- Funding for fair housing enforcement has not been a priority.
    - Funding at the national level for fair housing outreach and enforcement has remained stagnant for the past decade, despite ample evidence of the demand for increases.
    - Latinos have been left out of the fair housing mainstream, so few have the capacity to pursue independent funding competitively.
    - Although mainstream organizations are becoming more diverse, Latino and other bilingual and bicultural staff are still underrepresented.

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# Recommendations

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- Make fair housing a priority at all levels of the private and public sectors.
    - Prioritize fair housing enforcement within the Departments of Justice and Housing and Urban Development.
    - Create a major social marketing campaign to educate the public about the persistence and negative impact of housing discrimination.

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- Improve information, awareness, and enforcement opportunities for Latinos, immigrants, and other language-minorities.
  - Increase funding for all fair housing programs, and set aside a portion of those funds for education and enforcement campaigns in immigrant and language minority communities.

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- Create a national discrimination report card.
    - Monitor the performance of major property managers, real estate agents, builders, sellers, and advertisers annually or biannually using testing and market research.
    - Report card should be publicly available and disseminated at local levels.

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# NCLR Publications

- *American Dream to American Reality: Creating a Fair Housing System that Works for Latinos;*
  - *Jeopardizing Hispanic Homeownership: Predatory Practices in the Homebuying Market*
  - *Increasing Hispanic Homeownership: Strategies for Programs and Public Policy*
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