

June 13, 2022

Rep. Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
2128 Rayburn House Office Building
Washington, DC 20515

Rep. Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
2128 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member Patrick McHenry:

The undersigned national and local civil rights, housing, and consumer advocacy organizations write to express our support for The Housing Fairness Act (H.R. 68) and the Downpayment Toward Equity Act (H.R. 4495) and to urge their swift passage. H.R. 68 and H.R. 4495 are critically necessary bills that would expand the nation's only fair housing grant program that supports local fair housing services and help ensure that people of color and others who have historically lacked access to homeownership can achieve the dream of owning a home and building personal wealth.

Our nation still suffers from widespread housing and lending discrimination and the reverberating harm of our country's history of government-sponsored racial segregation and financial exclusion. Many of the nation's housing policies, especially New Deal solutions, were seemingly race neutral but nevertheless [cemented racial inequality](#) by denying Black, Latino, AAPI, and Native communities an equitable opportunity to build family wealth. And the lack of access to home equity is the most significant driver of wealth inequality. For example, [in 2019, Latino homeowners had an average net worth 40 times higher than Latino renters](#). Many Black and Latino consumers have sufficient income to pay a monthly mortgage obligation, but exclusionary federal housing policies that denied their families intergenerational wealth make them [far less likely to receive down payment assistance from their family](#), delaying transitions into homeownership. As a result, more than [one-third of Latinos indicated in 2020 that the biggest hurdle to buying a home was insufficient funds for a down payment](#), today's Black homeownership rate is as low as it was in since redlining was legal, and even [1890](#),

The failure to rectify our nation's history of exclusion and discrimination breeds an environment in which further discrimination thrives, which in turn furthers the racial wealth gap. Over the course of 3 years and in one of the most comprehensive real estate discrimination investigations since the passage of the Fair Housing Act, [fair housing organizations and journalists uncovered evidence of rampant real estate discrimination in Long Island, NY](#) and found that real estate agents discriminated against Asians 19% of the time, Latinos 39% of the time, and Blacks 49% of the time an agent was tested. Discrimination in mortgage lending is similarly rampant. [Researchers at the University of California at Berkeley](#) analyzed nearly 7 million 30-year mortgages and found that Black and Latino borrowers were charged higher interest rates and

refinance fees when compared to White borrowers in both face-to-face and online transactions, costing them a total of \$765 million each year. Discriminatory mortgage pricing for those that can access homeownership further reduces the wealth they can generate and use to support homeownership for future generations. The effects of this legacy and housing discrimination that continues today have resulted in our nation's systemic wealth inequality, in which white households have [90% more](#) wealth than Black households and hold 84% of all household wealth in the U.S. in comparison to just [4% for Black households](#).

The Housing Fairness Act and the Downpayment Toward Equity Act provide important resources to ensure that people of color and other historically excluded people have access to fair and equitable housing and homeownership.

H.R. 68 – The Housing Fairness Act

FHIP is a competitive grant program administered by HUD that provides funding to private nonprofit fair housing organizations whose mission it is to address housing, lending, and related discrimination in communities across the nation. Local nonprofit private fair housing organizations rely on FHIP to educate the public about their fair housing rights, train housing providers to understand their fair housing responsibilities, investigate reported housing discrimination, and advocate for victims of housing discrimination. According to a [2011 HUD study](#), 71% of cases in which a FHIP organization is a complainant result in conciliation or a cause versus 37% of non-FHIP referred cases. And [in 2021, fair housing organizations primarily funded by FHIP investigated 74% of all reported complaints of housing discrimination](#) across the nation, more than double that of local, state, and the federal government.

Despite the strong record of the program, FHIP is in much need of reform to ensure that it better carries out its purpose of supporting the development of a network of local private nonprofit fair housing organizations. For years, FHIP grantees have experienced constant delays in Notices of Funding Availability, grant award decisions, and late payments. The practical result of this pattern has been the serious damage to long-established fair housing organizations that often are the only organization serving their local or regional housing market, and in some cases, their entire state. FHIP funding levels have also failed to support the retention of highly technically skilled fair housing experts.

The Housing Fairness Act authorizes increased program funding to better support existing qualified fair housing enforcement organizations, create new groups where they do not currently exist, and help fair housing organizations attract, train, and retain highly specialized fair housing experts to conduct testing and investigations. The bill also makes significant improvements in several program areas in order to streamline program implementation, make better use of grantee and HUD time and resources, and provide for coordinated systemic regional or national investigations to get at the heart of systemic discrimination. In addition, the bill creates a separate grant program intended to support academic research about the nature, causes and outcomes of housing discrimination and residential segregation to support the need for stronger fair housing policy solutions. The legislation also improves HUD reporting requirements to better quantify the impact of enforcement actions and public fair housing education. Finally, the

legislation reinstates HUD's 2015 Affirmatively Furthering Fair Housing rule to restore accountability and compliance with the Fair Housing Act by local and state governments that receive federal housing and community development dollars.

H.R. 4495 - Downpayment Toward Equity Act

H.R. 4495 is a novel first-step toward reversing the nation's history of financial exclusion by eliminating a significant barrier to accessing homeownership for families of color, the lack of a downpayment.. H.R. 4495 creates a program that provides downpayment assistance grants to eligible first-generation homebuyers who are the first in their family to own a home. The bill provides \$100 billion for states, Community Development Finance Institutions and qualifying nonprofits to administer a program that provides individuals whose parents, spouses or domestic partners, and themselves have not owned a home with up to \$20,000 or 10% of the purchase price of a home for DPA. Eligible individuals must have a household income of less than or equal to 120% Area Median Income (AMI), or up to 140% AMI in high-cost areas. HUD would be able to increase the amount of DPA if it determined that more assistance was necessary to economically disadvantaged individuals. Under this eligibility criteria, [5.2 million prospective homeowners across the nation could receive first-generation downpayment assistance](#) and become the first in their family to achieve the dream of owning a home and the financial stability that comes with it. This includes 1.6 million Black, 1.3 million Latino, and over 770,000 Asian, American Indian, Alaska Native, or Native Hawaiian prospective homebuyers.

The Downpayment Toward Equity Act would go a long way toward reversing the harm that our nation's racial homeownership and wealth disparities have on the economy. [Families that own their homes are more economically stable](#) and have the assets to create and expand businesses that employ and invest in their communities, send their children to college, or save for a secure retirement. If passed, the H.R. 4497 would help spur home purchases among the more than 8 million mortgage-ready Black and Latino potential homebuyers in the US, and generate an average of [\\$93,800 in economic activity from each typical home sale](#).

We urge the swift passage of the Housing Fairness Act (H.R. 68) and the Downpayment Toward Equity Act (H.R. 4495).

Sincerely,

National Organizations

National Fair Housing Alliance
Americans for Financial Reform
Center for Responsible Lending
Consumer Action
National CAPACD- National Coalition for Asian Pacific American Community
Development
National Consumer Law Center (on behalf of its low-income clients)

National Housing Law Project
 National Urban League
 Renewity, LLC.
RESULTS
 The Leadership Conference on Civil and Human Rights

Local or State Organizations

Organizations	City	State
Fair Housing Center of Northern Alabama	Birmingham	AL
Center for Fair Housing, Inc.	Mobile	AL
Southwest Fair Housing Council	Tucson	AZ
Fair Housing Advocates of Northern California	San Rafael	CA
Open Communities Alliance	Hartford	CT
Fair Housing Center of the Greater Palm Beaches	Lantana	FL
Housing Opportunities Project for Excellence (HOPE), Inc.	Miami	FL
Metro Fair Housing Services, Inc.	Atlanta	GA
Access Living of Metropolitan Chicago	Chicago	IL
Chicago Area Fair Housing Alliance	Chicago	IL
Fair Housing Center of Central Indiana, Inc.	Indianapolis	IN
Louisiana Fair Housing Action Center	New Orleans	LA
Massachusetts Fair Housing Center	Holyoke	MA
Fair Housing Center of Metropolitan Detroit	Detroit	MI
Fair Housing Center of West Michigan	Grand Rapids	MI
Fair Housing Center of Southwest Michigan	Kalamazoo	MI
Montana Fair Housing	Butte	MT
High Plains Fair Housing Center	Grand Forks	ND
Fair Housing Justice Center	Long Island City	NY
CNY Fair Housing, Inc.	Syracuse	NY
Westchester Residential Opportunities, Inc.	White Plains	NY
Fair Housing Advocates Association	Akron	OH
Fair Housing Center for Rights & Research	Cleveland	OH
Miami Valley Fair Housing Center, Inc.	Dayton	OH
Fair Housing Resource Center, Inc.	Painesville	OH
Fair Housing Partnership of Greater Pittsburgh	Pittsburgh	PA
Austin Tenants Council	Austin	TX
North Texas Fair Housing Center	Dallas	TX
Greater Houston Fair Housing Center	Houston	TX
Housing Opportunities Made Equal of Virginia	Richmond	VA