

# FAIR HOUSING HANDBOOK

Fair Housing  
is everyone's  
**RIGHT**

It is **ILLEGAL** to **DISCRIMINATE** against **ANY** person because of

RACE

SEX

COLOR

RELIGION

HANDICAP

FAMILIAL STATUS

NATIONAL ORIGIN

WE'RE PEOPLE, NOT LABELS!



EQUAL HOUSING  
OPPORTUNITY

Hampton Roads Community Housing Resources Board  
&  
Housing Opportunities Made Equal of Virginia, Inc.





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# FAIR HOUSING

## Why is it important?

Where you live isn't just about the kind of house you live in. Where you live determines the schools your children attend, the jobs that are available, how long your commute is or whether there is public transportation. The convenience of grocery stores, shopping centers, medical care and other services depends on where you live. For homeowners, where you live also determines the value of your housing and how much equity you build – the foundation of the American dream.

Fair housing is a term that refers to ensuring that all people have an equal opportunity to access the housing of their choice. Everyone wants decent housing in a safe neighborhood. Fair housing means that people can choose to live wherever they can afford to live and that a variety of housing choices are available in all communities. It means that housing choices are not restricted by decisions based on characteristics that have nothing to do with housing.

Fair housing is not only a legal requirement under state and federal fair housing laws; it is a moral concern and a matter of economics. No community can reach its full potential for economic growth and well-being if some of its residents are unable to fully participate in the housing market. Studies clearly show the relationship between housing and education, access to jobs, and the ability to build wealth. People who do not have access to the full range of available housing choices may not be able to live in neighborhoods that enhance their opportunities and their future success. When housing choices are limited by discriminatory housing practices and policies, communities and individuals are denied opportunities for growth.

Discrimination in housing and housing-related services is prohibited by both the federal Fair Housing Act and the Virginia Fair Housing Law when it is based on race, color, national origin, religion, sex, familial status, handicap, and, in Virginia, elderliness (55 & over). We hope you find this handbook helpful in understanding the rights and obligations established by the fair housing laws.

# FAIR HOUSING LAWS



## Federal and State Fair Housing Laws

The earliest U.S. law addressing housing discrimination was the *Civil Rights Act of 1866* (42 U.S.C. 1982), enacted by Congress shortly after the passage of the 13th amendment, which abolished slavery. Section 1982, as it is called, bars all refusals to rent or make housing more difficult to obtain because of race, and prohibits interference by a third party as well. It also seeks to assure "that a dollar in the hands of a Negro will purchase the same thing as a dollar in the hands of a white man" and thus prohibits, for example, landlords from demanding higher rents and stricter terms for black tenants than for whites. This civil rights law has been applied to national origin discrimination as well as racial discrimination. The most important aspect of Section 1982 is that unlike later fair housing laws, which under certain circumstances exempt small property owners from having to comply, **there are no exemptions. Everyone must comply with the Civil Rights Act of 1866.**

The Civil Rights Act of 1866 was never very effectively enforced. In 1968, partly in response to the assassination of Dr. Martin Luther King, Jr. and the urban riots that followed, the first comprehensive open housing law was passed. *Title VIII of the Civil Rights Act of 1968* (42 USC 3601 et seq.), also known as the Fair Housing Act, prohibited a broad range of discriminatory practices based on race, religion, color, or national origin. In 1974, discrimination based on sex was also made illegal.

Because many people throughout the country were still experiencing discrimination in housing, Congress amended Title VIII in 1988, adding familial status (families with children) and handicap to the protected classes, broadening the range of prohibited practices, and strengthening the enforcement mechanisms of the law. **Title VIII is the primary legal basis for the enforcement of fair housing throughout the United States.** The U. S. Department of Housing and Urban Development (HUD) has issued regulations setting out its interpretation

of Title VIII. Those regulations form the basis for administrative decisions by HUD about whether or not discrimination has occurred, and are given great weight by the courts.

Virginia has its own *Fair Housing Law* (Virginia Code Section 36-96.1 et seq.), enacted in 1972, which in many ways mirrors Title VIII, and which was amended in 1989 to include the new federally protected classes, and again in 1991 and 1994 to strengthen its enforcement provisions. Virginia law also protects the elderly (55 and older) from housing discrimination. In addition, various localities in the state have their own ordinances, which may include additional protected classes.

Fair housing laws cover rental and sales transactions and other housing-related services such as mortgage or home improvement lending, homeowners insurance, and appraisals, as well as the terms and conditions of how these services are provided before and during a housing-related context. The laws apply to all forms of residential housing, with a few, very limited, exemptions.

### **Other Related Housing Laws**

There are other laws and regulations which, while not fair housing laws in the strictest sense, afford additional protection against various forms of housing discrimination. On the Federal level, *Section 504 of the Rehabilitation Act of 1973* requires that programs (including housing) operated by federally supported entities (including housing), when viewed as a whole, be accessible to and usable by people with disabilities and that they not exclude or limit participation by people with disabilities. Title III of the *Americans with Disabilities Act*, while not covering residential housing units, does cover access to places that serve the general public, including rental and sales offices and common areas open to the public. The *Virginia Rights of the Disabled Act* states that disabled persons are entitled to full and equal access to housing.

The *Virginia Residential Landlord and Tenant Act* sets out the rights and obligations of landlords and tenants in Virginia. This is not a fair housing law, but violations of the VRLTA are frequently mistaken for fair housing violations. The equivalent law for manufactured housing (including mobile homes and trailer parks) is the *Virginia Manufactured Home Lot Rental Act*. As for all rental policies and procedures, application of the provisions of these laws must be consistent or an individual may be subject to a charge of discrimination. While this handbook does not provide comprehensive guidance on landlord-tenant issues, some information about the rights and responsibilities of landlords and tenants may be found in this book under *Tips for Tenants* and *Tips for Landlords*.

## Protected Classes

The concept of protected classes is simple - membership in a protected class cannot be used as a basis for deciding whether or not to make housing available or the terms on which housing is provided. It does not mean that housing or housing-related services must be provided to people who are unqualified. It **does** mean that *membership in that class may not have anything to do with the decision*. For example, a landlord may not refuse to rent to someone because of his or her ethnic background (national origin). However, if that person has a poor credit rating and excellent credit is required from all tenants, the landlord may refuse to rent on the grounds of poor credit.

The law does not dictate what a housing provider's standards or policies must be. It does say, however, that everyone must be treated equally and held to the same standards, and that those standards may have nothing to do with a prospective tenant's race, religion, color, national origin, sex, handicap, or familial status (and, under Virginia law, elderliness).

### *What are the protected classes?*

**Race, color, religion, national origin, sex, handicap, familial status, and in Virginia, elderliness.** Some of these categories overlap. Their distinction in the law was intended to make the inclusive nature of the law as clear as possible, and to avoid arguments and loopholes based on definitions.

**Race:** Members of all races are protected.

**Religion:** Discrimination because of someone's religion is prohibited, as is discrimination on the basis of lack of religious practices. However, religious organizations may operate lodgings for their members under certain limited circumstances.

**Color:** This prohibition includes discrimination based on skin tone. For instance, darker skinned black people may not discriminate against those with lighter skins.

**National origin:** Discrimination based on national origin applies to discrimination because of the country of origin of a person, or of that person's ancestors. All residents of the United States are protected, whether citizens or not.

**Sex:** It is generally prohibited to discriminate on the basis of gender. As a narrow exception, where there is shared living space, it may be allowable to prefer a male or female roommate.

**Disability:** A disability or handicap is defined very broadly in the law as "a physical or mental impairment which substantially limits one or more major life activities; a record of such impairment; or being regarded as having such an impairment." It includes, but is not limited to, mental retardation, emotional

illness, alcoholism, and AIDS and being HIV positive. Prior drug addiction is also covered, although current illegal use of a controlled substance is not.

Remember - you may not assume that membership in a protected class makes someone a less desirable tenant. You may, however, hold each person to the same standards of *demonstrated* behavior to which you hold everyone else. For example, you may not assume that because someone is mentally ill he or she will not be a good tenant. You may not ask whether someone has a disability, nor may you investigate persons with disabilities any more thoroughly or ask them any more or different questions than you would someone who did not have a disability. However, if you find in the course of your standard application process that a person has a history of violent or disruptive behavior, you may turn that applicant down on the basis of that proven history. Nothing in the law requires you to rent to someone "whose tenancy would constitute a direct threat to the health and safety of other individuals, or whose tenancy would result in substantial physical damage to the property of others." You do need to be able to demonstrate that you have reason to believe that such would be the case for a specific person. You may not presume that someone with a disability is less likely to be qualified than someone without disabilities, no matter what the disability in question is.

**Familial status:** This category means families with children, including anyone under eighteen living with someone who is either a parent, has legal custody, or has written permission from the person with custody to take care of the person under eighteen. It includes persons who are pregnant, those in the process of securing custody of a minor, and foster children. Housing for adults only is not permitted, although there is an exemption from this prohibition for Housing for Older Persons (for example, housing for the elderly where all residents must be 62 or older, and 55 and over retirement communities). In other words, housing providers may not refuse to rent (or apply different terms and conditions) to families with children. This does not mean they cannot set reasonable occupancy standards limiting the number of people per dwelling. The standards must be based on the number of people, not the presence or number of children or the ages of the children. Such standards must not be unreasonably restrictive because they may *operate* to exclude families with children even if they do not explicitly limit the number of children.

**Elderliness:** Virginia law prohibits discrimination on the basis of elderliness, which is defined as being 55 or older.

The federal law has seven protected classes – race, color, religion, national origin, sex, familial status, and handicap. Virginia law adds elderliness. In addition, some localities have their own fair housing ordinances, which may add protected classes not covered by state or federal law. Among the characteristics that may be covered by local ordinances are marital status, source of income, or sexual orientation. In these localities you may not make decisions which take these factors into account.

## **Practices That Violate Fair Housing Laws**

*It is against the law to refuse to rent or negotiate for the sale or rental of a dwelling because of membership in a protected class, or to discriminate against anyone because of a disability or the disability of anyone living with or associated with that person.*

*It is against the law to discriminate in the terms, conditions, and privileges of housing, or to deny or limit the services and facilities available in connection with a dwelling on the basis of membership in a protected class.*

*It is against the law to engage in any conduct that restricts choices or "otherwise makes unavailable or denies dwellings" because of membership in a protected class. Perhaps the most common way in which people violate this provision is through steering. Illegal steering practices include showing housing only in particular areas, not informing someone of housing in other areas, discouraging someone from inspecting a dwelling, exaggerating drawbacks, not informing someone of desirable features of a neighborhood or development, or assigning someone to a particular section of a community or floor of a building, based on membership in a protected class.*

*It is against the law to make any statement or to engage in any form of discriminatory advertising, written or oral, paid or unpaid, which indicates any preference or limitation on the basis of any protected class.*

*It is against the law to provide inaccurate or false information about the availability of dwellings because of an applicant's membership in a protected class.*

*It is against the law to try to persuade a property owner to rent or sell by representing that persons of any of the protected classes are moving into the neighborhood. This practice is known as blockbusting.*

*It is against the law to discriminate in the provision or terms of brokerage services. This is a protection for those engaged in the provision of real estate services, and precludes, among other things, setting different standards for membership in rental organizations based on membership in a protected class.*

*It is against the law to threaten or interfere with anyone who is exercising any of the rights protected by the law. This prohibition extends not only to those seeking housing or a housing-related service, but also to those trying to provide housing for them or assist them in the exercise of their rights, such as an independent living center or a fair housing organization. Employees of housing providers are also protected: **adverse action or the threat of any adverse action against an employee who refuses to participate in a discriminatory housing practice is prohibited, as is retaliation against those who file fair housing complaints.** If threats or force are involved, there may be criminal as well as civil penalties.*

*Sexual harassment.* You may not think of sexual harassment as a fair housing issue, but if it has anything to do with housing, it is. If a landlord conditions a rental, or the terms and conditions of a rental, on receiving sexual favors, he or she is violating the law. If a maintenance person makes response to requests for repairs conditional on sexual favors, that is a violation of the law. If a landlord creates an intimidating atmosphere in which tenants are afraid of some form of sexual pressure that too may be against the law.

*It is unlawful to refuse to make reasonable modifications or accommodations for persons with disabilities.* Reasonable modifications are physical changes to existing housing (including to common areas) that are necessary for a resident with a disability to use and enjoy the dwelling. Reasonable accommodations are changes in rules, policies, practices or services that enable a person with a disability equal opportunity to use and enjoy a dwelling.

Housing providers and others covered by fair housing laws must allow persons with disabilities to make reasonable modifications to physical structures (such as installation of ramps or grab bars, widening of doorways, lowering countertops, etc.) to housing that are necessary to ensure full enjoyment of the dwelling. The responsibility for costs of modifications is generally on the person seeking the modification, except in “federally assisted” housing, where the provisions of Section 504 of the Rehabilitation Act of 1973 put the payment obligation on the housing provider.

In addition, housing and housing-related service providers must make reasonable accommodations to their policies and procedures for people with disabilities if the accommodations are necessary to afford full use and enjoyment of the dwelling and associated amenities. Many accommodations have no associated cost, but where there are costs, they are generally borne by the provider, unless they would impose an undue financial or administrative burden.

*It is unlawful to fail to design and construct new multifamily housing in compliance with the accessibility requirements of fair housing laws.* Multifamily housing constructed for first occupancy after March 13, 1991, is required to meet seven basic accessibility requirements:

- Accessible building entrance on an accessible route
- Accessible and usable public and common use areas
- Usable doors and doorways
- Accessible route into and through the covered unit
- Environmental controls in accessible locations
- Reinforced walls for grab bars
- Usable kitchens and bathrooms

More details on those requirements may be found on HUD’s website ([www.hud.gov](http://www.hud.gov)) or at the Fair Housing First website ([www.fairhousingfirst.org](http://www.fairhousingfirst.org)).

## **Enforcement Of Fair Housing Laws**

Persons who believe they have experienced discrimination related to housing have several options. They can engage an attorney to take the case directly to court, or they can file an administrative complaint with the U.S. Department of Housing and Urban Development (HUD) or the Virginia Fair Housing Office. Information on how and where to talk about or file a fair housing complaint and sample complaint forms are included on page 22 of this Handbook.

**When to file:** Administrative complaints must be filed with HUD or the Virginia Fair Housing Office **no later than one year** after the alleged discriminatory practice has occurred or terminated. Private civil actions in court must be filed **within 2 years** of the date of the discriminatory conduct. The time a case is being administratively investigated does not count in calculating the 2 year period to file in court.

**Who may file:** A complaint may be filed by any person who claims to have been injured by a discriminatory housing practice or who will be injured by a discriminatory housing practice that is about to occur, including, for example, individuals, corporations, associations, legal representatives, and fair housing organizations.

**Where to file:** Administrative complaints may be filed in person, by telephone, or by mail through any office of the U.S. Department of Housing and Urban Development, or with the Virginia Fair Housing Office of the Department of Professional and Occupational Regulation. Complaints filed with the Virginia Fair Housing Office will be considered “dual-filed” with HUD. Complaints filed with HUD are likely to be referred to the Virginia Fair Housing Office for processing under HUD’s agreements with substantially equivalent agencies. See the back of this booklet for the appropriate contact information.

**How to file:** Complaints must ultimately be in writing, signed and affirmed by the aggrieved person filing the complaint, and provide the following information:

1. The name and address of the aggrieved person
2. The name and address of the respondent(s)
3. A description and the address of any dwelling which is involved
4. A concise statement of the facts, including pertinent dates, constituting the alleged discriminatory housing practice.

**Prompt Judicial Action:** A complainant may request the agency to obtain a temporary injunction or restraining order to maintain the status quo (such as to prevent eviction or keep the housing opportunity available) while the investigation proceeds. Requirements are the same as for civil injunctive relief and may require expedited initial investigation to establish.

### **How the Process Works:**

The administrative agency must send notices to the aggrieved person (complainant) and the respondent letting them know that the complaint was accepted for investigation and providing a copy of the complaint. An investigator is assigned to the case who will interview the complainant(s), respondent(s), and any witnesses; and collect and review documents and any other information relevant to the investigation. The agency has the authority to issue subpoenas for witnesses or the production of documents.

Investigations should be completed within 100 days from the date the complaint was accepted. If the investigation will take longer, the agency must provide notice and the reasons to the parties. The more information a complainant or respondent can provide the investigator, the better. Complainants, or their representatives, as well as respondents, should frequently monitor the progress of the investigation into their cases.

**Conciliation:** Conciliation is a process leading to the voluntary negotiated settlement of a complaint. The process is encouraged and may take place at any time during the investigation. Conciliation efforts are almost always initiated by the administrative agency prior to the actual investigation. A successful conciliation results in a written agreement signed by all parties, including the administrative agency, which provides relief of some kind to the complainant and may include other affirmative relief such as requirements that the respondent receive fair housing training, change policies and/or procedures, or implement a variety of specific actions. Respondents generally do not admit to any violations and the agreement closes the case. Conciliation efforts may occur before, during, or after investigation, but it is a voluntary process. Complainants or respondents can decline to participate; however, conciliation can allow the parties to reach a reasonable and mutually agreeable resolution to a complaint and can include more creative terms than courts generally impose.

### **Determinations: Cause or No Cause**

a. No Cause: If the agency finds that the evidence **DOES NOT** support a finding that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur, the parties receive a letter of determination summarizing the basis for the decision to close the case and indicating how a copy of the final investigative report may be obtained.

b. Cause: If the agency finds that the evidence **DOES** provide reasonable cause to believe a discriminatory housing practice has occurred, a charge of discrimination is issued. A copy of the charge is sent to the parties. If HUD issues the charge of discrimination, the parties may have the matter litigated by HUD's Office of General Counsel before an Administrative Law Judge or may elect to have the matter heard in federal court through the Department of Justice. If the

case is being handled by the state agency, the Fair Housing Board or the Real Estate Board issues the charge of discrimination and the case is referred to the Office of the Attorney General which is required by the statute to file and maintain a civil suit on behalf of the aggrieved person in the appropriate state circuit court.

**Remedies:**

- a. Compensatory Damages
- b. Affirmative/Injunctive Relief
- c. Civil Penalties (Administrative Proceeding & State court) - up to \$50,000 1st offense
- d. Punitive Damages (Federal & State court) - no cap (VFHL §36-96.18.C)
- e. Attorney fees to prevailing party

# TIPS FOR TENANTS



## An Overview of Your Rights & Responsibilities as a Tenant

### Leasing an apartment

- Leases are usually impossible to break without court action.
- Get all agreements in writing.
- Inspect the apartment before moving in and document all problems in writing, then mailing a certified copy to the landlord.
- Read and understand your lease before signing and keep a copy for yourself.

### What if landlord won't make repairs?

- At the first sign of trouble, put your complaint in writing to the landlord and keep a copy.
- Never refuse to pay your rent because repairs are needed; instead, follow the legal process to set up an escrow account with the court.
- Report serious violations to your city/county building inspector's office.

### Giving Notice/Terminating a lease

- If you want to move, make sure you know how much notice your lease requires before it ends.
- A landlord can't ask you to move during your lease period unless he/she can prove in court that you have violated the lease agreement.
- A landlord can't change the terms of the lease during the middle of the lease term without your written permission.
- Once the lease term is up, you or the landlord can terminate the lease without having to give a reason.

### What if I can't pay my rent?

- If a landlord wants to evict you, he or she must first take you to court.
- Always go to court when summoned; you may have explanations and can ask for more time.

- If you are evicted, you may still owe the rent for the rest of the lease period.
- If your possessions are actually being removed from your property by the landlord and he/she has not filed the eviction with the sheriff, you may be able to get help from the police.
- Until your court-ordered eviction day, the landlord has no additional rights to your property. This means he/she cannot turn off utilities, change locks, or enter the property without notice.

### **What if my landlord wants to evict me for problems?**

- The landlord must prove in court that you violated the lease.
- The landlord must give you a chance to fix most problems before taking you to court.
- Until your court-ordered eviction day, the landlord has no additional rights to your property. This means he/she cannot turn off utilities, change locks, or enter the property without notice.

### **Security deposits**

- After you have moved out, the landlord has 45 days to refund your deposit or give a written explanation of why you are not getting it back.
- If your landlord has held your security deposit for 13 months or more, you will be owed interest on your deposit.
- You have the right to be present at the walk-through inspection after you move out, and the landlord must notify you of this right.
- Make sure you are not being charged for problems that were there before you moved in. Do this by making sure you do a walk through when you move in and saving a copy of the inspection report.

# TIPS FOR LANDLORDS



## How can a landlord tell if someone will be a good tenant?

Most good landlords want to know three things about potential tenants:

- **Will they pay the rent?**
- **Will they take care of the unit?**
- **Will they be a good neighbor?**

Remember— landlords can't tell the answers to these questions just by looking at someone, and making assumptions may get them into trouble. Set clear standards that tenants must meet, and then follow the same procedures to get the answers from everyone.

**Sufficient income:** A landlord may decide on a rent to income ratio (like a monthly income three times the rent) and stick to it. Income may be from employment, Social Security, VA benefits, child support, or any other dependable, regular source. A landlord has the right to require someone to document that the income comes in regularly, but should not require that it come from a job.

**Do they pay their bills?** A landlord may want to pull credit reports. If so, pull them for every applicant and have clear standards about what you are looking for ("good credit" doesn't mean anything by itself). You may require nothing on the credit report below a certain score or you may only care that there are no bad ratings or actions for previous rental properties. You may want to ignore medical bills. Write your standards down and stick to them.

**Previous rental history:** You may be able to get information from previous landlords. If you call for rental references, do it for everyone. Decide what will be an acceptable reference, such as no more than three late pays in a year or no complaints about noise.

## **There are special legal protections in place for people with disabilities:**

### **What kinds of disabilities are included?**

All kinds— mental, physical, and emotional. Examples are being blind or deaf, having a mobility impairment or a mental illness, being developmentally disabled, or having AIDS. Alcoholism is considered a disability, as is being a recovering drug addict, but current use of a controlled substance is not covered. A landlord may not ask about a disability unless it is needed to qualify someone for a particular program that is for people with disabilities. A landlord may not ask an applicant whether they have a disability (unless the disability is an eligibility requirement for the housing), nor ask about the nature or severity of a disability.

### **People with disabilities are expected to meet the same standards of tenancy as anyone else.**

All tenants must keep up the unit, pay the rent on time, and be reasonably good neighbors. A landlord may need to make some adjustments, or reasonable accommodations, in normal policies or procedures to make this possible for some tenants with disabilities.

### **What does a landlord or property manager have to do for someone with a disability?**

The fair housing laws require landlords to make “reasonable accommodations” in policies or procedures if requested and needed by someone with a disability. For example, if there is a “no pets” policy, the landlord would still need to let a disabled person have a service, therapeutic or companion animal because those animals are not considered pets. In addition, no extra fees or pet deposits should be charged. Many accommodations will have no cost; where there is a cost, the housing provider is generally responsible unless it constitutes an undue financial burden.

### **Can someone make actual changes to a unit if they have a disability?**

Yes, physical modifications to dwellings must be permitted within certain limits. If the housing is not federally subsidized, the tenant is responsible for paying for the changes. If there is federal money involved, the housing provider may have to pay for the changes. Reasonable modifications might include ramps, grab bars, or other changes that allow someone with a disability to fully use a unit. Where the changes would interfere with subsequent use by another tenant, it may be reasonable for a landlord to require the modifications to be restored at the end of the tenancy.

# GUIDE TO FAIR LENDING



Discrimination in mortgage lending is prohibited by the federal Fair Housing Act and HUD's Office of Fair Housing and Equal Opportunity actively enforces those provisions of the law. The Fair Housing Act makes it unlawful to engage in the following practices based on race, color, national origin, religion, sex, familial status or handicap (disability). Note: In Virginia, elderliness (55 or over) is covered.

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or set different terms or conditions for purchasing a loan

## **HUD Fair Lending Studies**

Pre-application inquiries about mortgage lending financing options represent a critical phase in the homebuying process. If potential homebuyers cannot obtain full and fair access to information about mortgage financing, they may give up on their pursuit of homeownership, their housing search may be restricted, or they may be unable to negotiate the most favorable loan terms. HUD has conducted a number of studies to determine whether minority homebuyers receive the same treatment and information as whites during the mortgage lending process. You can read more on HUD mortgage lending discrimination studies at: <http://www.hud.gov/offices/fheo/lending/fairlend.cfm>.

## **Subprime Lending**

Subprime loans play a significant role in today's mortgage lending market, making homeownership possible for many families who have blemished credit histories or who otherwise fail to qualify for prime, conventional loans. A recent HUD analysis, based on Home Mortgage Disclosure Act (HMDA) and related data, shows that the number of home purchase subprime applications increased from 327,644 in 1997 to 783,921 in 2000. In 2003, subprime loans accounted for approximately 8% of all mortgage originations; by 2006, subprime loans made up 28% of all mortgage originations.

While the subprime mortgage market may serve a legitimate role, these loans tend to cost more and sometimes have less advantageous terms than prime market loans. Additionally, subprime lenders are largely unregulated by the federal government. Data shows blacks are much more likely than whites to get a subprime loan, and many of the borrowers who take out these loans could qualify for loans with better rates and terms. As such, many have expressed fair lending concerns about the subprime market.

**You can find out more about subprime lending issues at:**

**HUD's website:**

<http://www.hud.gov/offices/fheo/lending/subprime.cfm>

**Center for Responsible Lending website:**

<http://www.responsiblelending.org/issues/mortgage>

**Housing Opportunities Made Equal of Virginia, Inc, website:**

[www.phoneHOME.org](http://www.phoneHOME.org)

**National Association of Realtors website:**

[www.realtor.org](http://www.realtor.org)

see under Home Buyers and Sellers

Additional helpful information on mortgage lending and other consumer lending issues can be found on the

**National Consumer Law Center website:**

[www.nclc.org](http://www.nclc.org)

# PROTECT YOURSELF FROM PREDATORY LENDERS



Buying or refinancing your home may be one of the most important and complex financial decisions you'll ever make. Many lenders, appraisers and real estate professionals will help you get a nice home and a great loan; however, too many misinformed or vulnerable homebuyers become victims of predatory lending or loan fraud. Understanding the home-buying process and being a smart consumer can protect you. *Don't fall victim to predatory lending!*

## **What is Predatory Lending?**

In communities across America, including Hampton Roads, people are losing their homes and their investments because of predatory lenders, appraisers, mortgage brokers and home improvement contractors who:

- Sell properties for much more than they are worth using false appraisals.
- Encourage borrowers to lie about their income, expenses, or cash available for down payments in order to get a loan.
- Knowingly lend more money than a borrower can afford to repay.
- Charge high interest rates to borrowers based on their race, national origin, gender, disability or elderliness and not on their credit history.
- Charge fees for unnecessary or nonexistent products and services.
- Pressure borrowers to accept higher-risk loans such as balloon loans, interest-only payments, and steep pre-payment penalties.
- Target vulnerable borrowers for cash-out refinance offers when they know borrowers are in need of cash due to medical, unemployment or debt problems.

- Strip ‘homeowners’ equity from their homes by convincing them to refinance again and again when there is no net benefit to the borrower.
- Use high pressure sales tactics to sell home improvements and then finance them at high interest rates.

### **Tips on Being a Smart Consumer**

1. Before you buy a home, attend a homeownership education course offered by a U.S. Department of Housing and Urban Development (HUD) approved, non-profit housing counseling agency.
2. Interview several real estate professionals (agents) and ask for and **check** references before you select one to help you buy or sell a home.
3. Get information about the prices of other homes in the neighborhood. Don’t be fooled into paying too much.
4. Hire a properly qualified and licensed home inspector to carefully inspect the property before you are obligated to buy. Determine whether you or the seller is going to be responsible for paying for any repairs. If you have to pay for the repairs, determine whether or not you can afford to make them and whether they are sound investment.
5. Shop for a lender and compare costs. Be suspicious if anyone tries to steer you to just one lender.
6. Do NOT let anyone persuade you to make a false statement on your loan application, such as overstating your income, the source of your down payment, failing to disclose the nature and amount of your debts, or even how long you have been employed. When you apply for a mortgage loan, every piece of information that you submit must be accurate and complete. Lying on a mortgage application is fraud and may result in criminal penalties.
7. Do not let anyone convince you to borrow more money that you know you can afford to repay. If you get behind on your payments, you risk losing your house and all of the money you put into your property.
8. NEVER sign a blank document or a document containing blanks. If information is inserted by someone else after you have signed, you may still be bound to the terms of the contract. Insert “N/A” (i.e., not applicable) or cross through any blanks.
9. READ EVERYTHING carefully and ask questions. Do not sign anything that you don’t understand. Before signing, have your contract and loan agree-

ments reviewed by an attorney skilled in real estate law, consult with a trusted real estate professional, or ask for help from a housing counselor with a HUD-approved agency. If you cannot afford an attorney, take your documents to the HUD-approved agency near you. Find out if they will review the documents or can refer you to an attorney who will help you for free or at a low cost.

10. Be suspicious when the cost of a home improvement goes up if you don't accept the contractor's financing.
11. Be honest about your intentions to occupy the house. Stating that you plan to live there when, in fact, you won't (because you intend to rent the house to someone else or fix it up and resell it) violates federal law and is a crime.

### **What Tactics Do Predators Use?**

- \* A lender or investor tells you that they are your only chance of getting a loan or owning a home. You should be able to take your time to shop around and compare prices and houses.
- \* The house you are buying costs a lot more than other homes in the neighborhood, but isn't any bigger or better.
- \* You are asked to sign a sales contract or loan documents that are blank or contain information that is not true.
- \* You are told that the Federal Housing Administration insurance protects you against property defects or loan fraud – it does not.
- \* The costs or loan terms at closing are not what you agreed to.
- \* You are told that refinancing can solve your credit or money problems.
- \* You are told that you can only get a good deal on a home improvement if you finance it with a particular lender.

Housing counselors with HUD-approved agencies can help you be a smart consumer. To find a counselor near you, call the HUD Housing Counseling Referral Line at 1-800-569-4287 or go to HUD's web site at [www.hud.gov](http://www.hud.gov).

# HOUSING DISCRIMINATION COMPLAINTS

Federal law prohibits housing discrimination based on your race, color, national origin, religion, sex, family status, or disability. If you have been trying to buy or rent a home or apartment and you believe your rights have been violated, you can file a fair housing complaint. There are several ways to file a complaint:

- You can file a complaint by using the HUD online form at:  
[www.hud.gov/complaints/housingdiscrim.cfm](http://www.hud.gov/complaints/housingdiscrim.cfm).
- You can call toll-free 1-800-669-9777 to the HUD National Hotline
- You can fill out the following form, complete it, and drop it off at your local HUD office or mail it to:

Office of Fair Housing and Equal Opportunity  
Department of Housing and Urban Development, Room 5204  
451 Seventh St. SW, Washington, DC 20410-2000

- You can write HUD a letter with the following information and mail to the Fair Housing Hub address listed below:
  - Your name and address
  - The name and address of the person your complaint is about
  - The address of the house or apartment you were trying to rent or buy
  - The date when this incident occurred
  - A short description of what happened

**For Delaware, District of Columbia, Maryland,  
Pennsylvania, Virginia, and West Virginia:**

Fair Housing Hub  
U.S. Department of Housing and Urban Development  
The Wanamaker Building, 100 Penn Square East, 12th Floor  
Philadelphia, Pennsylvania 19107-3380  
(215) 861-7646 • 1-888-799-2085 • TTY (215) 656-3450

You can also contact the Virginia Fair Housing Office about possible housing discrimination, or you may contact HOME for assistance or the fair housing officer of your local jurisdiction. Their contact information is included at the back of this handbook.

# HOUSING DISCRIMINATION INFORMATION FORM

If you don't report discrimination, it can't be stopped!

- If you believe your rights have been violated, HUD or a state or local fair housing agency is ready to help you file a complaint.
- You have one year from the date of the alleged act of discrimination to file your complaint.
- After your information is received, we will contact you to discuss the concerns you raise.

**Instructions:** (Please type or print.) Read this form carefully. Try to answer all questions. If you do not know the answer or a question does not apply to you, leave the space blank. You have one year from the date of the alleged discrimination to file a complaint. Your form should be signed and dated. Use reverse side of this page if you need more space to respond.

**Keep this information for your records.**

Date you mailed your information to HUD: (mm/dd/yyyy)

\_\_\_\_\_

Address to which you sent the information:

Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

If you have not heard from HUD or a fair housing agency within three weeks from the date you mail this form, you may call to inquire about the status of your complaint. See addresses and telephone listings on page 31.

# HOUSING DISCRIMINATION INFORMATION FORM

Your Name: \_\_\_\_\_

Your Street Address:

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Best time to Call:

Your Daytime Phone No: \_\_\_\_\_ Evening Phone No: \_\_\_\_\_

Who else can we call if we cannot reach you?

1 Contact's Name: \_\_\_\_\_  
Best time to Call: \_\_\_\_\_  
Daytime Phone No: \_\_\_\_\_  
Evening Phone No: \_\_\_\_\_

2 Contact's Name: \_\_\_\_\_  
Best time to Call: \_\_\_\_\_  
Daytime Phone No: \_\_\_\_\_  
Evening Phone No: \_\_\_\_\_

1. **What** happened to you? How were you discriminated against? For example: were you refused an opportunity to rent or buy housing? Denied a loan? Told that housing was not available when in fact it was? Treated differently from others seeking housing? State briefly what happened.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. **Why** do you believe you are being discriminated against?

It is a violation of the law to deny you your housing rights for any of the following factors: race • color • religion • sex • national origin familial status (families with children under 18) • disability.

For example: Were you denied housing **because of** your race? Were you denied a mortgage loan **because of** your religion? Or turned down for an apartment **because** you have children? Were you harassed because you assisted someone in obtaining their fair housing rights? Briefly explain why you think your housing rights were denied **because of** any the factors listed above.

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3. **Who** do you believe discriminated against you? Was it a landlord, owner, bank, real estate agent, broker, company, or organization?

Name:

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Address:

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City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

1      Contact's Name: \_\_\_\_\_  
Best time to Call: \_\_\_\_\_  
Daytime Phone No: \_\_\_\_\_  
Evening Phone No: \_\_\_\_\_

2      Contact's Name: \_\_\_\_\_  
Best time to Call: \_\_\_\_\_  
Daytime Phone No: \_\_\_\_\_  
Evening Phone No: \_\_\_\_\_

4. **Where** did the alleged act of discrimination occur? Provide the address.  
For example: Was it at a rental unit? Single family home? Public or Assisted Housing? A Mobile Home? Did it occur at a bank or other lending institution?

Address:

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City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

5. **When** did the last act of discrimination occur?

Enter the date (mm/dd/yyyy) \_\_\_\_\_

Is the alleged discrimination continuous or on-going?  Yes  No

Signature: \_\_\_\_\_

Date:(mm/dd/yyyy) \_\_\_\_\_

**Send this form** to HUD or to the fair housing agency where the alleged act of discrimination occurred. If you are unable to complete this form, you may call the office nearest you. See address and telephone number listed on pages 30-31.

The information collected here will be used to investigate and to process housing discrimination complaints. The information may be disclosed to the United States Department of Justice for its use in the filing of pattern and practice suits of housing discrimination or the prosecution of the person(s) who committed the discrimination where violence is involved; and to State or local fair housing agencies that administer substantially equivalent fair housing laws for complaint processing. Public Reporting Burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

For Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and  
West Virginia:

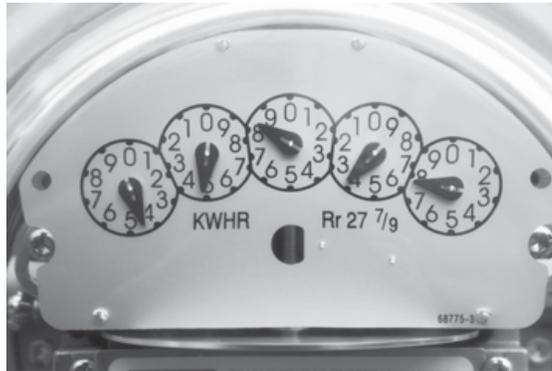
MID-ATLANTIC OFFICE  
(Wanda\_Nieves@hud.gov)  
Fair Housing Enforcement Center  
U.S. Department of Housing and Urban Development  
The Wanamaker Building • 100 Penn Square East  
Philadelphia, PA 19107-9344  
Telephone (215) 861-7646 or 1-888-799-2085 • Fax (215) 656-3419  
TTY (215) 656-3450

Disclosure of this information is voluntary. Failure to provide some or all of the requested information will result in delay or denial of HUD assistance. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Privacy Act Statement The Department of Housing and Urban Development is authorized to collect this information by Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, (P.L. 100-430); Title VI of the Civil Rights Act of 1964, (P.L. 88-352); Section 504 of the Rehabilitation Act of 1973, as amended, (P.L. 93-112); Section 109 of Title I - Housing and Community Development Act of 1974, as amended, (P.L. 97-35); Americans with Disabilities Act of 1990, (P.L. 101-336); and by the Age Discrimination Act of 1975, as amended, (42 U.S.C. 6103).

If after contacting the local office nearest you, you still have questions –  
you may contact HUD further at:

U.S. Department of Housing and Urban Development  
Office of Fair Housing and Equal Opportunity  
451 7th Street, S.W., Room 5204 • Washington, DC 20410-2000  
Telephone (202) 708-0836 or 1-800-669-9777 • Fax (202) 708-1425  
TTY 1-800-927-9275

# ENERGY STAR INFORMATION



## Save Energy and Money Today

Did you know that the typical U.S. family spends more than \$1,600 a year on home utility bills? Unfortunately, a large portion of that energy is wasted. And electricity generated by fossil fuels for a single home puts more carbon dioxide into the air than two average cars. And as for the road, transportation accounts for 66% of all U.S. oil consumption. The good news is, there is a lot you can do to save energy and money at home and in your car. Start making small changes today (see the tips below).

The key to achieving these savings in your home is a whole-house energy efficiency plan. To take a whole-house approach, view your home as an energy system with interdependent parts. For example, your heating system is not just a furnace—it's a heat-delivery system that starts at the furnace and delivers heat throughout your home using a network of ducts. Even a top-of-the-line, energy-efficient furnace will burn a lot of fuel if the ducts, walls, attic, windows, and doors are not insulated and leak. Taking a whole-house approach to saving energy ensures that dollars you invest to save energy are spent wisely.

Energy-efficient improvements not only make your home more comfortable, they can yield long-term financial rewards. Reduced utility bills more than make up for the higher price of energy-efficient appliances and improvements over their lifetimes. In addition, your home could bring in a higher price when you sell. There are easy, practical solutions for saving energy include tips you can use today, throughout your home—from the roof, walls, and insulation that enclose it to the appliances and lights inside.

## Tips to Save Energy Today

Easy low-cost and no-cost ways to save energy.

- Set your thermostat comfortably low in the winter and comfortably high in the summer. Install a programmable thermostat that is compatible with your heating and cooling system.
- Use compact fluorescent light bulbs.
- Air dry dishes instead of using your dishwasher's drying cycle.
- Turn off your computer and monitor when not in use.
- Plug home electronics, such as TVs and DVD players, into power strips; turn the power strips off when the equipment is not in use (TVs and DVDs in standby mode still use several watts of power).
- Lower the thermostat on your hot water heater to 120° F.
- Take short showers instead of baths.
- Wash only full loads of dishes and clothes.
- Drive sensibly. Aggressive driving (speeding, rapid acceleration and braking) wastes gasoline.
- Look for the ENERGY STAR<sup>®</sup> label on home appliances and products. ENERGY STAR<sup>®</sup> products meet strict efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.



For more information, check <http://www.doe.gov/yourhome.htm>



Notes:

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Notes:

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Notes:

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# WHERE TO GET INFORMATION ON FAIR HOUSING



## General Information

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### U.S. Department of Housing and Urban Development

Richmond Field Office

toll free 1-800-842-2610  
804-771-2100

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### HUD Fair Housing and Equal Opportunity Complaint Hotline

1-888-799-2085

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### Virginia Fair Housing Office

(Department of Professional & Occupational Regulation)

[www.dpor.virginia.gov](http://www.dpor.virginia.gov)  
804-367-8530  
1-888-551-3247  
(TDD 804-527-4290)

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### HOME (Housing Opportunities Made Equal)

[www.phoneHOME.org](http://www.phoneHOME.org)  
(Richmond) 804-354-0641  
(TTY/TDD) 804-237-7545

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### DHCD (Department of Housing and Community Development)

(Landlord/Tenant Handbook)

804-371-7000

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### Hampton Roads Community Housing Resource Board

Contact: Sylvia Hill

757-385-5754

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### The Greater Hampton Roads Realtors Association/ Equal Opportunity in Housing Committee

Virginia Beach Office 757-473-9700  
Chesapeake Office 757-465-0884

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### Endeppendence Center

Contact: Vantoria Clay, Housing & Transportation Coordinator

[vclay@endeppendence.org](mailto:vclay@endeppendence.org)

757-461-8007  
(TDD) 757-461-7527  
(FAX) 757-461-5375

**Hampton Roads Local Government  
FAIR HOUSING OFFICES**

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**Chesapeake Redevelopment & Housing Authority**

Contact: Arthurine Peacock

Arthurine\_peacock@crhava.org

(757)233-6403

TTY/TDD (757)523-1316

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**Hampton Community Development Department,  
Housing and Neighborhood Services Division**

Contact: Angelique Shenk

ashenk@hampton.gov

(757)727-6140

TDD/TTY 1-800-828-1140 or 711

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**Newport News Office of Human Affairs**

Contact: Emmagene Slade, eslade@oha.org

Rosa Terry, rterry@oha.org

(757)247-6747

TDD/TTY 1-800-828-1140 or 711

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**Virginia Beach Department of Housing & Neighborhood Preservation**

Contact: Sylvia Hill

shill@vb.gov.com

(757)385-5754

TTY/TDD (757)385-5794

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**Norfolk Planning and Community Development**

Contact: Acquanetta Ellis

Acquanetta.ellis@norfolk.gov

(757)664-4762

TTY/TDD (757)624-8410

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**Portsmouth Redevelopment and Housing Authority**

Contact: Daniel Best

dbest@prha.org

(757)391-2911

TTY/TDD 1-800-545-1833 x869

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**Suffolk Department of Planning and Community Development**

Contact: Lysandra Shaw

lmshaw@city.suffolk.va.us

(757)514-4060

TDD/TTY 1-800-828-1140 or 711

**This booklet was produced under a grant from the U.S. Department of Housing and Urban Development to Housing Opportunities Made Equal of Virginia, Inc., in cooperation with the Hampton Roads Community Housing Resources Board (HRCHRB), an organization of area REALTORS<sup>®</sup>, local government officials, and housing advocates. The substance is dedicated to the public. The author and publisher are solely responsible for the accuracy and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.**

**COVER:**

**Nicholas Wilfong, Winner of the 2010 Hampton Roads Community Housing Resource Board Poster Contest.**

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