



# FAIR HOUSING NEWS

A newsletter about fair housing, community development, & neighborhood quality of life

## GREETINGS!!!

**Welcome To The January Edition Of *Fair Housing News*, Produced By The GBCHRB As A Public Service!** For a free copy of any article or for a free on-line subscription: 410-453-9500/800-895-6302 / [wkladky@gbchr.org](mailto:wkladky@gbchr.org). More info & resources: <http://www.gbchr.org>.

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## NATIONAL NEWS

**Federal Hate Crime Cases Highest in 2009 Since 2001.** Thomas E. Perez, head of the Justice Department's Civil Rights Division, announced that 25 hate crime cases were filed in 2008-2009 compared to 12 in 2006 and 23 in 2008. The announcement came just after the Department filed federal indictments - connected with a fatal beating of a 25-year-old Mexican illegal immigrant in Shenandoah, Pennsylvania - charging two police officers with obstruction of justice (New York *Times*, December 18, 2009:A29). [Read the article.](#)

**GAO Audit Finds Civil Rights Enforcement Declined During 2001-2007.** The General Accounting Office (GAO) study of the Civil Rights Division of the U. S. Justice Department found a drop in the enforcement of several antidiscrimination and voting rights laws. Department lawsuits to enforce laws banning race or sex discrimination in employment declined from 11 annually under President Clinton to 6 under President Bush. The GAO audit also found that case files "often had no information explaining why supervisors had decided to close cases, sometimes against the recommendation of career officials." The study's data and conclusions are under currently dispute, with Democrats and Republicans disagreeing about basics as well as trends. For example, the Acting Assistant Attorney General for Civil Rights in 2007-2008 said that in 2008 the section handling employment discrimination cases filed the most lawsuits in its history (UPI, December 3, 2009; New York *Times*, December 3, 2009:A24). [Read the UPI article.](#)

### **More Than 200 Units In Three Atlanta Apartment Communities Will Be Retrofitted To Meet Federal Accessibility Guidelines.**



The settlement, announced by the National Fair Housing Alliance, regards a 2007 lawsuit (filed by the Alliance and five related groups including Metro Fair Housing Services in Atlanta) alleging that

apartments developed by California-based A.G. Spanos failed to meet Fair Housing Act guidelines. Problems ranged from doorways too narrow for wheelchairs to light switches and thermostats out of reach of someone in a wheelchair. The developer agreed to pay \$7.4 million to retrofit up to 12,300 apartments in 14 states. In metro Atlanta, 234 first-floor units in Alexander at the District, Alexander at the Perimeter and The Battery at Chamblee Station will be renovated. [Read the article.](#)

### **The Utah Legislature May Allow Salt Lake City's Gay-Rights Law To Take Effect.**

The City's landmark protections for gay and transgender residents seems likely to take effect. But most legislative leaders say it's doubtful those provisions against discrimination in housing and employment will be expanded statewide during the 2010 session despite an historic endorsement from the Mormon (LDS) Church. "The Legislature is more inclined to give the Salt Lake City ordinance[s] a year," says Sen. Howard Stephenson, R-Draper, "just to kind of see how [they work] and if we need to work any bugs out before we sponsor anything statewide." Rep. Christine Johnson (D-Salt Lake City) plans for the third time to push a statewide fair housing and employment bill that would add sexual orientation and gender identity to existing state laws that bar bias based on a person's race, religion, sex, national origin or other characteristics. A recent poll found 69% of Utah residents in support. [Read the Salt Lake Tribune article.](#)



## **MORTGAGE LENDING**

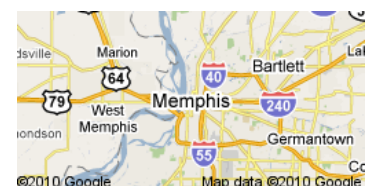
**Justice Department Begins Campaign Against Bias in Lending.** As part of the expansion of the Justice Department, the campaign will focus on "reverse redlining," where a mortgage brokerage or bank "systematically picks minority neighborhoods for inferior loans - high up-front fees, high interest rates, lax underwriting." The

Department is also: (1) searching for any disparate impact on minorities using data being collected by the Treasury Department from banks about loan modifications for those trying to avoid foreclosure; and (2) working with some state attorney generals interested in bringing lawsuits over banks' subprime lending practices (New York *Times*, January 14, 2010:A18). [Read the New York Times Article.](#)

**HUD & FHA Begins Investigation of Mortgage Lenders With High Foreclosure Rates.** The U.S. Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA) announced an initiative focusing on mortgage companies with significant claim rates against the FHA mortgage insurance program. Subpoenas were served to the corporate offices of 15 mortgage companies demanding documents and data related to failed loans which resulted in claims paid out by the FHA fund. Inspector General Donohue said, "The goal of this initiative is to determine why there is such a high rate of defaults and claims with these companies and whether there is wrongdoing involved. We aren't making any accusations at this time, we have no evidence of wrongdoing, but we will aggressively pursue indicators of fraud. We are members of the President's Financial Fraud Enforcement Task Force and today's activities reflect our commitment to seeking information on red flags that may arise from data analysis" (HUD, January 12, 2010) [Read the HUD Press Release.](#)

### **Memphis Accuses Wells Fargo of Discriminating Against Blacks.**

The lawsuit filed by the City of Memphis is similar to that recently-dismissed Baltimore lawsuit alleging the lender singled out black homeowners for high-interest subprime mortgages. The lawsuit said

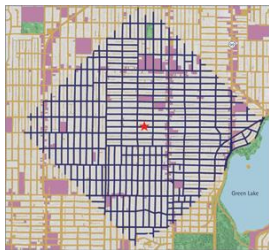


Wells Fargo offered one lending product for whites and one for blacks. In Shelby County (including Memphis) 1 of 8 Wells Fargo loans in predominantly-black neighborhoods resulted in foreclosure, compared to 1 in 59 in white areas. According to the lawyer handling the case for the City, Memphis' suit differs from Baltimore's because Memphis' data better supports the claim of the lender being responsible for the "deterioration of the inner city." The reason why is that Memphis gets 70% of its budget from property taxes, and thus vacant homes are financially ruinous to the City. (New York Times, December 31, 2009:A15). [Read the article.](#)

**Ban Urged of Kickbacks for Steering Into Risky or Expensive Loans.** In a detailed comment letter, the Center for Responsible Lending (CRL) recommends that the Federal Reserve Board strengthen a proposal to ban routine kickbacks for steering borrowers into unnecessarily risky or expensive home loans. The ban on kickbacks



("yield-spread premiums") would apply to mortgage brokers, loan officers, and any party that originates mortgages for lenders who fund the loans. A senior policy counsel for CRL said "Many people are still wondering why so many bad loans were made. A big part of the answer is yield-spread premiums. These kickbacks are easy to hide from consumers, and they encourage brokers to aggressively market the worst kinds of loans - even when their customers qualify for better." In research released in 2008, CRL analyzed nearly two million mortgages and found that people with weaker credit paid significantly more for mortgages originated by brokers rather than directly by lenders. On mortgages made between 2004 and 2006, it estimated that borrowers paid almost \$20 billion in extra interest on loans they received from brokers, with much of that excessive cost likely attributable to yield-spread premiums. The Federal Reserve Board's current proposal related to yield-spread premiums includes broader amendments to the Truth in Lending Act (Regulation Z). With some strengthening provisions, CRL strongly supports the amendment that would prohibit lenders from tying bonuses to the terms and conditions of the loan. CRL's comment letter notes that nothing in the proposal would prevent lenders from offering appropriate compensation to brokers and other loan originators (Center for Responsible Lending, December 24, 2009) [Read the release.](#)



## TRENDS

**Homes with "Walkability" Have Higher Values, According to Study.** A study by C.E.O.'s for Cities, a group of urban development advocates, examined 90,000 home sales in 15 markets to determine how much home value was determined by the unit's "Walk Score" - which rates the number of destinations, including libraries, parks, and coffee shops, within walking distance of a home.

It found that homes with above-average Scores got a premium up to \$30,000 in some cities. The correlation did not hold in all cases, so the study is not definitive. More studies need to be done, other than ones that belabor the possibly obvious - like one done after the 2005 gasoline price spike that found that distant suburbs had the largest home value declines, and "close-in" neighborhoods' values held or increased. (New York Times, January 10, 2010:5) [Read the article.](#) Anyway, you can assess the value of "Walkability" yourself - go to <http://www.walkscore.com/> and enter an address. Type in the Baltimore DHCD address - 417 E. Fayette Street 21202, and get a 95 - "Walker's Paradise"!

**Population Projections Finds US to Become Less White and Older.** The Census Bureau now projects that without new immigrants the US's population will decline, seniors will be almost 25%,

and whites would remain a majority. With just slowing immigration, though, non-Hispanic whites will be a minority by 2050 or perhaps 2040 depending upon the rate of change. Also, of course, depending upon the rate of international immigration, the nation's population could grow from the current 308 million to an eye-opening 458 million by 2050, with immigrants a whopping 136% of the increase. Continuing immigration will add 31-64 million to the job force between 2015-2035. (New York Times, December 18, 2009:A29). [Read the New York Times article.](#)



**Unemployment Rates for Couples with Children Doubled from 2007-2009, Census Bureau Finds.** The Census Bureau study released on January 17th found 59% of both parents worked in married-couple households, down from 67% in 2007. The decline was greater in Black and Latino household; in Black households, 12% reported that only the wife was employed. The number of stay-at-home mothers declined during the period. Another interesting statistic is that the median age for first-marrieds rose for men to 28.1 and 25.9 for women. Interracial marriages now constitute 7.6% of all couples, up from 6.4% in 2003, a significant 18.7% increase (New York Times, January 17, 2010:18). [Read the Census Bureau](#)

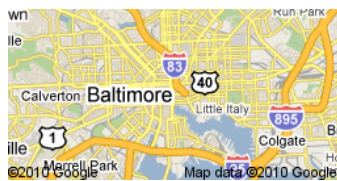
[Release.](#) [Read the article.](#)

### **Public Expenditures on Children Lag Compared to Other Expenditures, According to Urban Institute - Brookings Study.**



Key facts are highlighted from several Urban Institute and Brookings Institution reports on public expenditures on children through 2008. Findings reveal that spending on children increased under the American Recovery and Reinvestment Act (ARRA) and other stimulus spending, but not proportionately to other federal spending. As ARRA expires, spending on children is projected to decline, assuming no change in current policies. Results also show that states and localities spent more money than the federal government did on children in 2004, except when it came to the youngest children, and that overall public investment (local, state, and federal) increases as children get older. (Urban Institute, January 11, 2010) [Read the report.](#)

**Neighborhoods Significantly Matter in Children's Lives, According to Urban Expert George Galster.** In a lecture, Galster (an Urban Institute Affiliated Scholar and the Clarence B. Hilberry Professor of Urban Affairs at Wayne State University) explains how children are harmed by growing up in predominantly poor neighborhoods. He recommends ways to improve housing programs to avoid high concentrations of poverty. (Urban Institute, November 18, 2009) [See the lecture video.](#)



## **MARYLAND NEWS**

**Baltimore's Bias Suit Against Wells Fargo Rejected by Judge.** The federal judge threw out a lawsuit brought by the City against Wells Fargo accusing the bank of targeting black homeowners for high-interest subprime mortgages and thus pushing them into foreclosure. But the judge found the City's claims were "implausible when considered against the background of other factors leading to the deterioration of the inner city, such as extensive unemployment, lack of educational opportunity and choice, irresponsible parenting, disrespect for the law, wide-spread drug use and violence." Lawyers for the City said they would file a more limited complaint for specific damages caused in specific neighborhoods, as per the judge's option (New York Times, January 9, 2010:A11). [Read the article.](#)



**Census Data Indicates Black Flight Now Larger Than White Flight from Baltimore.** Since 2000, the number of non-Hispanic whites has declined by around 7,000 compared to a decline of almost 17,000 blacks. This reverses a decades-long trend toward white flight. According to the data, Baltimore is the only State jurisdiction to have a black population decline - and it results from out-migration because there was a 17,000 "natural increase," that is, births outnumbering deaths (Baltimore *Sun*, January 4, 2010:11). [Read the article.](#)



**The Recession Brings Out the Best - and the Worst. Nine Firms Ordered to Stop Work in Maryland for Scamming.** The State Department of Labor, Licensing and Regulation (DLLR) ordered five companies to end operation, finding that they had contracted for an average \$3,500 to help negotiate lower mortgage payments for distressed homeowners, but did nothing (Baltimore *Sun*, November 21, 2009:14). In December, DLLR suspended three groups of companies and

individuals it said defrauded Maryland homeowners. One was accused of getting 11 mortgages for borrowers by submitting false employment information, another promised to help a homeowner facing foreclosure but instead refinanced the equity out of her house before passing the property to his mother, and two more illegally got over \$1.2 million in upfront fees from Maryland homeowners for loan-modification help that ended with no results for most clients (Baltimore *Sun*, December 11, 2009).

**FHA Suspends Equitable Trust Mortgage Corp. for Fee Overcharging.** The Federal Housing Administration found Equitable overcharged 37 borrowers - many being minorities - for broker and loan origination fees in excess of the 1% of the mortgage amount allowed by HUD. These larger fees were charged to 68% of the lender's minority borrowers. HUD also found Equitable's loans had a higher default rate than the national average, and its Office of Inspector General is looking at the firm's lending practices (Baltimore *Sun*, December 8, 2009:18). [Read the Baltimore Sun article.](#)

**Racial Integration of Neighborhoods Has Residential & Social Aspects, According to Study of Baltimore.** An interview-based examination of the complexities of racial integration in "Village Heights" (southeast of Johns Hopkins University) used data taken from a larger study (Rich, 2007) of an integrated neighborhood in Baltimore.

Homeowners' perceptions of their community and racial integration revealed that statistical racial integration and perceptions of racial integration are two different things. The homeowners felt the neighborhood was both segregated and integrated. Those who felt it was definitely integrated also spoke about social segregation, and those who felt it was definitely segregated also spoke about social integration. For these residents, then, racial integration includes a social component, rather than just a residential mixing. It was found that perceptions of racial integration also depend on how the homeowner defined the neighborhood boundaries and the fact that races tend to be clustered in blocks in the neighborhood (*Sociological Forum*, December, 2009:828-853).



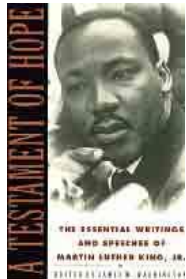
## RESOURCES

**The Sightline Institute Has a Interesting Website About Various "Green" Initiatives.** Though primarily about the Pacific Northwest, the site has very interesting and useful studies on energy & climate, green-collar jobs, sprawl & transportation, pollution & toxics, forests & wildlife, human

health, population, economy, green taxes, and sustainability, among others. [Go to Sightline's Website.](#)

**Check Out the GBCHRB's YouTube Channel** - <http://www.youtube.com/user/wkladky1> - To See Episodes Of Its Popular Cable TV Show! Also, Listen to our Fair Housing Radio Show - <http://www.gbchr.org/2rad9899.htm> - Click on any show; topics including foreclosure problems, Baltimore racial history, Fair Housing laws, disability issues, mortgage lending discrimination, more.

**The GBCHRB Distributes Free Fair Housing Brochures, Posters, and Guides.** [Contact us](#) for FREE Fair Housing info, brochures, & posters in English, Spanish, Korean, and Russian, as well as one specifically for people with disabilities.

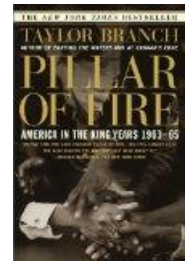


## INTERESTING BOOKS

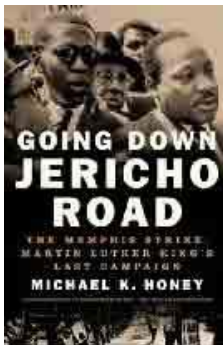
**To Celebrate Martin Luther King Day, Why Not Read Some History Books?**

Among the many, here are a few of my current favorites:

*Parting the Waters* (Simon & Schuster, 1989) , *Pillar of Fire* (Simon & Schuster, 1999), and *At Canaan's Edge* (Simon & Schuster, 2007) by Taylor Branch. Can't miss these.



*Going Down Jericho Road: The Memphis Strike, Martin Luther King's Last Campaign* by Michael K. Honey (W. W. Norton, 2008). My favorite. The gritty story of King's uphill struggle against many powers in 1968.

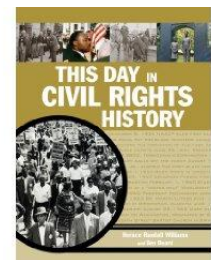


*A Testament of Hope: The Essential Writings and Speeches of Martin Luther King, Jr.* (HarperOne, 1990). One of the best collections of Rev. Dr. King's writings.

*The Walls of Jericho* by Robert Mann (Mariner Books, 1997). The background story of how civil rights legislation got passed.

*Judgment Days: Lyndon Baines Johnson, Martin Luther King Jr., and the Laws That Changed America* by Nick Kotz (Mariner Books, 2006). Similarly, the news behind the passage of these landmark laws.

**This Day in Civil Rights History** by Horace Randall Williams. New South Books, 2009. 408 pp. \$19.95 paper. This interesting book by civil-rights activist Randall Williams, is a day-by-day survey of the people, places, and events that impacted the civil rights movement. Just a couple of the facts and anecdotes: February 1, 1960 - Four African-American college students in Greensboro, North Carolina, entered the local Woolworth's department store, sat at the lunch counter, and demanded to be served - thus beginning the student sit-in movement in the South. March 2, 1955 - Almost a year before the arrest of Rosa Parks, fifteen-year-old Claudette Colvin was arrested for violating the segregation laws on a bus in Montgomery, Alabama.





## REST IN PEACE

**F. William McCalpin, Advocate of Legal Aid to the Poor, 88.** McCalpin fought to eliminate cuts to legal aid, as chair from 1979-1981 and a Board member 1993-2003 of the Legal Services Corporation which provides legal representation to about 6 million annually. One of the early civil rights leaders of the bar, McCalpin served as chair of various American Bar Association committees on legal services availability, indigent defenders, and the elderly. He also was a director of Legal Aid Societies in Missouri, and president of the National Legal Aid and Defender Association 1989-1992. (New York *Times*, December 20, 2009:41) [Read the New York Times obituary.](#)

**Malcolm Sherman, Civil Rights Advocate, 87.** As a Jewish Realtor in Baltimore in the 1950s, Sherman fought anti-Semitism and segregated neighborhoods. In an interview, he said, "As a Jewish real estate broker, I was not allowed to show property east of Falls Road." Sherman racially integrated his company in 1960. Sherman began working for Baltimore Neighborhoods, Inc., in the early 1960s, and pushed for integrated neighborhoods. He helped baseball great Frank Robinson find a house in an integrated neighborhood in 1966 by persuading the white neighbors. Sherman's advocacy eventually drove his firm out of business, and he became a vice president for the Rouse Co. where he helped push Columbia toward racial diversity. (Baltimore *Sun*, November 21, 2009:14) [Read the Baltimore Sun obituary.](#)

