



Housing Center Director Testifies Before Federal Reserve Board Discusses Home Mortgage Disclosure Act Data (HMDA) Revisions

The Housing Center's Executive Director, Jeff Dillman was invited by the Federal Reserve Board to speak on a panel in Atlanta, GA, regarding potential revisions to Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). Below is a summary of his testimony.

Revisions to HMDA would affect the Housing Center's work in conducting research into housing and lending patterns. Much of the research reports on mortgage lending and foreclosure trends in the Cleveland region and throughout the State of Ohio, utilize HMDA data.

HMDA data is important from a regulatory point of view, as it allows federal and state agencies to assess whether mortgage lenders are complying with their obligations under the Community Reinvestment Act, to provide access to credit to underserved communities, as well as their obligations to provide credit in a nondiscriminatory manner under the Fair Housing Act, and other antidiscrimination statutes.

HMDA data is also vital in allowing citizens, researchers, and local community-based groups, such as fair housing groups and community development corporations, to conduct research into lending practices within their communities. There are however, some limitations in trying to accurately research the causes of the mortgage and foreclosure crisis and its impact on people of different races, ethnicities, and genders. Given the recent history of lax supervision by federal and state regulators, this use of HMDA data is possibly more important than its use by regulatory agencies. By including data on the disposition of loan applications,

and the race, ethnicity, gender, and income of the borrower, HMDA provides one of the most important sources of qualitative data for whether communities are being provided with access to credit. The 2002 changes adding pricing data to HMDA, allow us to further refine our analyses to get a better idea of the quality of credit, and whether it is being offered on fair terms.

The three main suggestions we believe will improve collection and distribution of HMDA data, are as follows:

First, while HMDA data currently contains many important variables, at present there is not sufficient data available for regulators or, more importantly, the public to have confidence in the actions of mortgage lenders. In fact, the Federal Reserve itself had noted that it "recognizes that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending and provide only limited information about covered loans." Increasing the number of variables that are currently being collected to allow more detailed and sophisticated analyses of lending would help address this shortcoming.

Second, HMDA reporting should more easily allow end users to aggregate and disaggregate lending by lenders with their parent and/or subsidiary institutions. Under current HMDA rules, lenders have engaged in actions which have had the result of obscuring their activities, such as hiding subprime lending. HMDA data should allow the public to easily aggregate and/or disaggregate the loans of related

institutions. By allowing this increased transparency, lenders will have less of an incentive to hide such lending by segregating certain lending among different affiliates.

Third, it is important that the HMDA data be made available in a more user-friendly and accessible format. Currently, portions of the HMDA data are available through a web-based search interface. However, not all data is available through this interface, and the available data is provided only in PDF format, requiring it to be re-entered into a database program or spreadsheet for further manipulation. Providing access to the data through a web-based interface and allowing the data to be downloaded in a variety of formats, would greatly enhance the usability of the information and help ensure that the public at large, as well as smaller community-based groups, are able to access it.

A related issue is timing the release of HMDA data. At present, it is released to the public once a year. The result is that data from loan decisions made in a given year are not released until 9-18 months later. The long delay greatly limits the ability of regulators and researchers to detect ongoing trends and respond to situations such as the subprime lending crisis. Having the data released on a rolling basis, quarterly or even monthly, would expand access to this information and help address crises more quickly.

The ongoing mortgage and foreclosure crisis has not only devastated many communities throughout the country, but has also led many to loose

Housing Center Presents Accessibility Seminar; Settles Dispute



The Housing Center and the City of Cleveland hosted an all day Fair Housing and Accessibility Seminar for local government

planners and building and housing departments, as well as developers, and architects. The program featured attorney and fair housing and civil rights expert, Sara Pratt. Ms. Pratt presented a comprehensive overview of fair housing law with regard to technical requirements for design and construction projects, in addition to Ohio's Building Code. The training highlighted the seven basic accessibility requirements under the Federal Fair Housing Act, the difference between "adaptable" vs. "accessible" housing, and provided a review of provisions of the Americans with Disabilities Act (ADA) that cover multifamily housing. The seminar was attended by 52 people and was funded through a grant from the US Department of Housing and Urban Development.

Housing Center Resolves Accessibility Dispute

We receive many calls from people who live alone and have no one to advocate for them. But, it is rare that we receive a call from a mother who is calling because her son, and landlord, wants to deny her an accessible home. This summer, we heard from a social worker who successfully advocated for a ramp for a woman who was homebound. The ramp was already installed, but her son was unhappy. He felt the ramp was "ugly" and made it difficult for him to mow the lawn. He insisted that his mother remove the ramp and rely solely on him to come and go from her home.

Her social worker recognized that this would mean the end of her hard won independence and called the Housing Research & Advocacy Center for help. The Housing Center staff advised her on the fair housing rights of people with disabilities and told her that the ramp, a reasonable modification, was her client's right. Armed with this information, she was able to talk with the son, who consulted with his attorney. Several days later, the social worker received another call from the son to say that the ramp would stay.

The social worker called to thank HRAC. "Without your advice, I wouldn't have had the information I needed to make a strong argument for my client."

HUD Fair Housing News

HUD's State of Fair Housing Report Identifies Challenges

The Department of Housing and Urban Development released the Obama Administration's first annual State of Fair Housing Report for Fiscal Year 2009. The report shows disability discrimination continues to account for the largest-single category of complaints: out of 10,242 complaints, 44 percent alleged disability discrimination, followed by 31 percent alleging race discrimination and 20 percent family status discrimination.

HUD to Investigate Mortgage Loan Denials

HUD announced that it was opening an investigation into the activities of a number of mortgage lenders just one day after the New York Times reported that some lenders were engaging in possible discrimination based on pregnancy and disability. The Times article, published July 20, 2010, discussed lenders refusing to approve mortgage loans to families where a parent was taking a leave of absence to care for a newborn child or for other short-term reasons. In one case cited by the paper, an oncologist was told her loan would not be approved

because she would allegedly not have income to support it when she was on maternity leave. In making that decision, the lender refused to count her salary, while she was on leave, but also refused to count her disability insurance payments, because it was temporary income. In addition to examining the practices of lenders, HUD will also investigate Fannie Mae and Freddie Mac's underwriting guidelines, which had been cited by some lenders as the basis of their actions, to ensure that they do not violate federal anti-discrimination laws.

HUD Adds More Important Civil Rights Protections to Its Grant Programs

The U.S. Department of Housing and Urban Development (HUD) will begin requiring grant applicants seeking HUD funding to comply with state and local laws that protect individuals from being denied housing based on their lawful source of income. Traditionally, HUD requires all applicants for competitive grant funding to comply with all applicable federal fair housing and civil rights requirements. HUD's minimum eligibility requirements will now exclude applicants who have been charged with a systemic violation of state or local laws proscribing housing discrimination based on sexual orientation, gender identity or source of income.

Spotlight on HRAC

Housing Center Announces Fair Housing Specialist

Hilary Mason King



The Housing Center welcomes Hilary Mason King, our new Fair Housing Specialist. Ms. King, a native of Shaker Heights, is responsible for assisting in the investigation and resolution of fair housing complaints, as well as assisting in the Housing Center's enforcement and testing programs. Additionally, she will help educational efforts by conducting seminars. Hilary joins the Housing Center after an extensive career in real estate law. Previously, Ms. King practiced law at her own firm in New York City, before relocating to Cleveland in 2002, where she was a Realtor with Howard Hanna Smythe Cramer. Currently, she serves on the board of directors for the Hospice of the Western Reserve and the Home Repair Resource Center. She also serves as vice president of the Mediation Association of Northeast Ohio. Hilary earned her J.D. from the University of Michigan Law School and a B.A. in government and economics with a concentration in biology and society from Cornell University.

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Mission:

To eliminate housing discrimination and assure choice in Northeast Ohio by providing those at risk with effective information, intervention and advocacy.

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confidence in the entire mortgage lending industry. In the case of mortgage lending, detailed data on mortgage loan applications, originations, and terms, are vital for helping restore confidence in an industry that has much to atone for.

The full testimony can be read on our website, www.thehousingcenter.org.

Update

On July 21, 2010, President Obama signed the Financial Reform and Consumer Protection Act of 2010 into law. The bill, which was often referred to as the "Dodd Frank bill," after its co-sponsors, includes a number of provisions that will help consumers, including the creation of a new Consumer Financial Protection Bureau and amendments to the HMDA statute requiring mortgage lenders to report additional data about loan applications and decisions.

Housing Center's Intern Changes



Matthew Shupe has been the Housing Center's summer intern. He is a second year student at Case Western Reserve University School of Law, having earned his Bachelor of Arts degree in socio-cultural anthropology from Slippery Rock University of Pennsylvania. He is simultaneously serving as an intern with Paulette F. Balin & Associates, while managing the Lancashire Community Garden, which he co-founded. Previously, he interned for the International Services Center. As summer comes to a close, Matt leaves the Housing Center to intern with the Executive Office for Immigration Review and to continue his law studies.



The end of summer also means saying goodbye to Dana Cohen. Dana has been with the Housing Center since the fall of 2009, assisting with research for the Local Occupancy Code report and numerous other projects. She will pursue a Master's Degree in urban planning from the University of Illinois at Chicago. Best of luck to you Dana!

**HOUSING
RESEARCH & ADVOCACY
CENTER**

A New Era of Housing Justice

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Summer 2010

Upcoming Events

North Olmsted Realtor Training
Thursday, September 23, 2010
1:00 p.m. — 4:00 p.m.
North Olmsted Library
27403 Lorain Road
North Olmsted, OH 44070
Free of Charge—Three CEU credits
Registration Required

Shaker Heights Realtor Training
Thursday, October 14, 2010
9:00 a.m. — 12:00 p.m.
Shaker Heights City Hall
City Council Chambers
3400 Lee Road
Shaker Heights, OH 44120
Free of Charge—Three CEU credits
Registration Required

Parma Landlord Training
Thursday, October 28, 2010
6:00 p.m. — 8:30 p.m.
Parma City Hall, Council Chambers
6611 Ridge Road
Parma, OH 44129
Free of Charge—One CEU credit for
Realtors
Registration Required

The Housing Center conducts a number of fair housing trainings for landlords, realtors and other housing professionals, as well as compliance trainings. We are also available to speak at various meetings. For information about any of our events, or to register, please contact the Housing Center's Education & Outreach Coordinator, Darlene English, at 216-361-9240.

Donations are a vital part of the Housing Center's operations, and any amount is welcome. To make a donation, please mail this tear-off form with a check made payable to the Housing Center to: 3631 Perkins Avenue, Ste. 3A-2, Cleveland, Ohio 44114. Donations can also be made on the Housing Center website, www.thehousingcenter.org or through Greater Cleveland Community Shares, www.communityshares.org.

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