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Fair Housing Center for Rights & Research and Other Fair Housing Groups Reach Historic Settlement with Fannie Mae Focused on Rebuilding Communities of Color

The settlement will directly and immediately benefit the communities of color throughout the Greater Cleveland region and nationwide hit hardest by the foreclosure crisis and its aftermath.

Cleveland, OH — Today, the Housing Research & Advocacy Center dba Fair Housing Center for Rights & Research (The Fair Housing Center), along with the National Fair Housing Alliance (NFHA) and 19 other local fair housing organizations throughout the country, reached a landmark \$53 million [agreement](#) with Fannie Mae (formally known as the Federal National Mortgage Association) to resolve a case arising from allegations that Fannie Mae treated foreclosed homes in communities of color unfavorably. The settlement will help rebuild and strengthen communities of color in 39 metropolitan areas including Greater Cleveland. In the case, The Fair Housing Center and the other [plaintiffs alleged](#) that Fannie Mae maintained and marketed its foreclosed homes in predominantly White neighborhoods while allowing similar homes in communities of color to fall into disrepair and this differential treatment exacerbated the damage caused by the 2008 mortgage crisis and impeded recovery from the crisis in neighborhoods of color. The case was the first time a federal court confirmed the nation's fair housing laws cover the maintenance and marketing of Real Estate Owned (REO) properties.

“Cleveland was at the epicenter of the foreclosure crisis in the United States, a crisis that was exacerbated by the failure to maintain and market REO properties in communities of color in a nondiscriminatory manner. Fannie Mae’s settlement will provide much-needed relief to some of the hardest hit neighborhoods within our community,” stated Fair Housing Center Executive Director, Carrie Pleasants

The plaintiffs’ 2016 allegations against Fannie Mae arose after a comprehensive, four-year investigation of more than 2,300 Fannie Mae-owned foreclosed properties in 39 metropolitan areas in the country. Of those properties, 50 were located in Greater Cleveland. The plaintiffs collected more than 49,000 photographs revealing poorly maintained properties in Black and Latino communities, particularly as compared to properties in predominantly White neighborhoods.

Today’s agreement has far-reaching implications. The Fair Housing Center and the other plaintiffs will invest the vast majority of the settlement monies directly back into the communities they allege were harmed by Fannie Mae’s conduct. Specifically, plaintiff organizations will use over \$35 million of the settlement to promote home ownership, neighborhood stabilization, access to credit, property rehabilitation, and residential development in the 39 metropolitan areas at issue in the case, including the Greater Cleveland area. The plaintiffs will manage and disburse the settlement funds, providing much-needed grants, including for down-payment assistance for first-generation homebuyers and renovations for homes that languished in foreclosure. The grants will also include innovative programs and partnerships to promote fair housing.

Fannie Mae implemented practices that will help avoid similar harmful treatment of communities of color in the future, including increasing its oversight of maintenance of properties it owns,

prioritizing owner-occupants rather than investors as purchasers of REOs, and ensuring that it complies with fair housing laws, including by providing fair housing training to its employees and vendors.

The Fair Housing Center and the other fair housing groups are represented by noted civil rights law firms Relman Colfax PLLC and Dane Law LLC. The organizations were also represented by Morgan Williams, NFHA's General Counsel, and Julia Howard-Gibbon, Supervising Attorney of [Fair Housing Advocates of Northern California](#).

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Fair Housing Center for Rights & Research is a 501(c)(3) nonprofit organization established in 1983 whose mission is to protect fair housing rights, eliminate housing discrimination, and promote integrated communities.

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