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Citigroup Inc.
388 Greenwich Street
New York, NY 10013



July 13, 2020

The Honorable Brian Montgomery
Deputy Secretary
U.S. Department of Housing and Urban Development
Washington, DC 20410

RE: Implementation of the Fair Housing Act's Disparate Impact Standard

Dear Mr. Montgomery:

2020 has been a year of monumental, transformative, and, above all, rapid change. The last several months have exposed the profound imbalances and inequalities that we face as a country, and forced us to reckon more openly and honestly with their longstanding underlying causes, none more pernicious than the persistent scourge of systemic racism.

An honest conversation about systemic racism could begin in any number of places, but it could not end without discussing the role of laws. At their most basic level, laws can convey rights, or subjugate them. They can convey privileges, or deny them. And they often define how we view our similarities, differences, and collective responsibilities to one another.

Throughout our history, our nation's framework of laws has profoundly shaped the contours of race. Some laws, or their absence, have perpetuated systemic racism; others have aimed, with varying degrees of success, to lessen its destructive effects. Laws in this latter category have often arisen only after too many years of struggle and sacrifice, and their impact on eroding systemic racism has often taken decades more to materialize. And, as recent tragic events demonstrate, these laws, by themselves, are not enough to bring an end to systemic racism. But the hard fought progress these laws have engendered and the principles that they represent must be honored, and must be protected.

The Fair Housing Act, and its associated disparate impact theory of discrimination, is one of the laws that is worthy of our protection. We therefore commend the Department of Housing and Urban Development's ("HUD's") leadership in administering the Fair Housing Act, and applaud in particular its recognition that the disparate impact theory represents a key component of the fight against unlawful discrimination.

The Fair Housing Act, and the disparate impact theory, are critical components of a broader legal framework that informs the latest chapter in our collective national dialogue on systemic racism. This round of dialogue is long overdue, and within Citi, it has re-enforced how deeply our employees feel about issues of racial justice in the U.S. and around the globe. Our conversations have been more candid, direct and heartfelt, and filled with a sense of urgency to use this moment to create lasting change. We know we are not unique, and that conversations like this have been happening in companies, board rooms, and living rooms all across our country.

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And we know from our own experience that, while this latest chapter in our national dialogue has arisen rapidly, lasting and meaningful change will take time, and will only come from our own thoughtful, collective, and sustained long-term efforts.

It is precisely because of this need for long-term perspective in a time of rapid change that we respectfully ask HUD to refrain from issuing a final rule, right now, that would alter the current application of the disparate impact theory under the Fair Housing Act. HUD's actions in potentially revising the disparate impact legal framework are undoubtedly well intentioned, but many stakeholders believe that legitimate concerns exist about whether HUD's proposed rule would undermine the effectiveness of the Fair Housing Act and disparate impact theory in addressing discrimination.

To issue this rule during the current period of rapid change, in the midst of our necessary dialogue on systemic racism, risks undermining not only the Fair Housing Act's long history of combating discrimination but also the long-term change we all aim to achieve. Though the pace of change seems rapid right now, long-term progress on addressing systemic racism depends upon how we collectively respond to our nation's current conversation. We therefore urge HUD to allow this dialogue's latest chapter to continue unencumbered, and to reserve judgment on the Fair Housing Act's disparate impact theory for another day.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed S".

Edward Skyler
Executive Vice President for Global Public Affairs
Citi