

2023 The Year of Advancing a Blueprint for Equity

NFHA NATIONAL FAIR HOUSING ALLIANCE



The National Fair Housing Alliance® 2023 Annual Report



The National Fair Housing Alliance leads the fair housing movement.



Our Mission is to eliminate housing discrimination and ensure equitable housing opportunities for all people and communities through its education and outreach, member services, public policy, housing and community development, tech equity, enforcement and consulting and compliance programs.

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Dear Fair Housing Advocates, Supporters, and Friends;

As our nation continues facing a multitude of challenges – the lasting health and economic impacts of a global pandemic, skyrocketing housing costs, and persistent housing and lending discrimination – we might find it difficult to remain positive and maintain our resolve in the fight for equal rights. But there's reason to be hopeful.

We are optimistic because of our members throughout the country who share our passion for advancing fair housing. With their assistance, we were able to complete fair housing investigations in multiple metropolitan areas in 2023 filing 6 enforcement actions that, if resolved successfully, will benefit 1,389,259 people. We also tracked the highest number (33,007) of fair housing complaints ever reported in a single year (2022). Private fair housing organizations, including our Operating Members, processed 73.94 percent of those complaints. Their work is truly invaluable.

One of our proudest achievements was helping realize continued increases in homeownership for Black and Latino borrowers who bore an outsized impact from the foreclosure crisis. From 2019 to 2023, the Black and Latino homeownership rates increased by 13% and 7.5% respectively.

In 2023, we also began investing much of the \$53 million we – along with 20 of our fair housing member organizations – received from a historic REO discrimination settlement. These funds are being used to empower Blacks and Latinos and other underserved communities to access affordable, sustainable housing; create inclusive, well-resourced neighborhoods; and address systemic barriers that limit equitable housing and lending opportunities.

Our leadership team testified on the Hill several times last year, and our recommendations have helped usher in new policies at the Federal Housing Finance Agency to promote a fairer and more inclusive housing finance system, and a new process at the U.S. Department of Housing and Urban Development (HUD) to address appraisal bias. Furthermore, we were pleased that HUD released a new proposed Affirmatively Furthering Fair Housing (AFFH) Rule which incorporated recommendations made by NFHA and our members. We look forward to the release of a final rule.

What started as NFHA's Tech Equity Initiative just a few short years ago has grown into a Responsible AI Lab comprised of researchers and engineers committed to civil and human rights principles. Their groundbreaking work is keeping NFHA at the forefront of a rapidly changing housing and lending

landscape. Last year, the Responsible AI Team organized NFHA's first-ever Hackathon, during which students and professionals worked in teams to develop innovative solutions for reducing appraisal bias. We contributed significantly to policy frameworks to advance responsible AI guidelines and NFHA's important AI research was featured in several publications including American Banker and Technical.ly last year. And there is so much more on the horizon.

We provided important training and educational opportunities to thousands of people, civil rights professionals, industry players, and government officials to advance fair housing, fair lending, and responsible AI principles. We also provided significant technical assistance to our members to continue our efforts to build and develop the capacity of fair housing professionals. These significant accomplishments are clearly cause for celebration. Still, we know there is a lot left to fight for. By working together, we will continue moving closer to a world in which everyone has access to safe and affordable housing and can live in a vibrant well-resourced community free from discrimination.

Sincerely,



Lisa Rice
President and CEO
NFHA



Keenya Robertson
Board Chair
NFHA

THEORY OF CHANGE

NFHA's Theory of Change eliminates bias in housing, builds resilient communities, and transforms our society to create Equity for All. Our work will expand fair housing opportunities, make survivors of discrimination whole, and foster healthy, inclusive, well-resourced, communities.

NFHA's Vision

Communities are healthy, resilient, well-resourced, and free from discrimination so that everyone has the resources they need to thrive.



Foundational to the NFHA's Theory of Change is investing in our employees' knowledge and skills as well as continuing to improve and increase the efficiency of our internal systems. These investments are critical to ensuring our ability to accomplish our outcomes and ultimately the change we seek to achieve.

NFHA By the Numbers 2023



33,007 reported complaints of housing discrimination, including record increases of complaints based on sex and domestic violence

\$4.2 Million

in settlement funds disbursed to communities impacted by discrimination



Advanced over **10** transformational policies to expand access to fair housing and lending opportunities for millions of people

Generated **1,724** emails to Members of Congress from grassroots partners

Submitted **13** comment letters on federal policies and supported the development of **17** joint comment letters

58 inclusive communities grants issued to local organizations benefitting over 10,000 homebuyers of color and stabilizing communities harmed by discrimination

Brought **6** fair housing enforcement legal actions to benefit people impacted by unlawful discrimination



578 renters at risk of eviction were connected to Emergency Rental Assistance and other programs to help them avoid homelessness.



44 recommendations on reducing bias in Automated Valuation Models from 4 different Tech Equity Hackathon teams

36 conferences, webinars & roundtable sessions



3 new public service announcements in 9 languages

70,442,640 new media impressions

\$5.5 million in donated media



787 visitors to the SPCP Toolkit received information on creating SPCPs to expand lending in underserved markets.



54 people trained through Fair Housing School®



THE IMPACT OF OUR ADVOCACY EFFORTS – POLICY & LEGAL SUCCESSES

In 2023, NFHA spearheaded numerous policy and legal initiatives aimed at advancing fair housing and lending policies and ensuring equal access to housing opportunities for all. Through strategic advocacy and collaborative efforts, NFHA achieved significant milestones in the realm of policy and legal victories. These successes stand as testament to our unwavering commitment to combating housing and lending discrimination and fostering inclusive communities nationwide. The following highlights encapsulate the impact of NFHA's and Members' endeavors in shaping fair housing legislation and policies and holding accountable those who violate the rights of marginalized individuals and communities.

- Black and Latino homeownership rates increased by 2.2 percent and 2.7 percent respectively.
- A critical fair housing rule was restored – HUD's Discriminatory Effects Rule. Disparate Impact helps address policies and practices that unfairly keep people from obtaining quality housing and accessing opportunities and services like homeowners' insurance, mortgage loans, and fair appraisals.
- HUD also released an updated Affirmatively Furthering Fair Housing (AFFH) proposed final rule after significant leadership from NFHA and our members and partners.
- The Federal Reserve, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation released a once-in-a-generation update to the Community Reinvestment Act.
- The Federal Housing Finance Agency (FHFA) took important steps to increase safe and affordable mortgage credit by moving toward more equitable pricing while advancing safety and soundness through the elimination of upfront fees for the Enterprises' affordable mortgage programs.
- Congress approved legislation proposed by NFHA and its members to increase funding to support locally based fair housing organizations by 44 percent.
- Six of the PAVE Task Force agencies announced a proposed rule to set quality control standards for Automated Valuation Models (AVMs), including the addition of a nondiscrimination standard.
- The Senate confirmed the most historically diverse slate of nominees of the Federal Reserve in the Board's 109-year history including, Dr. Philip Jefferson (Second Black man to serve as vice chair), Dr. Lisa Cook (First Black woman) and Dr. Adriana Kugler (First Latina).
- NFHA's Responsible AI principles were included in the White House's Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence.





THE IMPACT OF OUR ENFORCEMENT EFFORTS

Although housing discrimination has been illegal since the Civil Rights Act of 1866 and federal enforcement against housing discrimination was finally provided in the federal Fair Housing Act in 1968, numerous instances of discrimination are reported each year. Through our enforcement efforts, NFHA works to uphold this law by engaging in activities to document and tackle housing discrimination nationwide. These activities include intakes and referrals, investigations, counteractions (e.g., re-training, re-education, and outreach campaigns), elimination and prevention, the use of amicus briefs to support the development of strong fair housing jurisprudence, and community reinvestment.

In 2023, NFHA filed six fair housing enforcement legal actions, which, if favorably resolved, will benefit over one million people. We filed enforcement actions addressing:

- » Discrimination against people who use Housing Choice Vouchers.
- » Discriminatory practices prohibiting the ability of parents with children to rent housing units.
- » Discriminatory practices restricting the ability of children to use services and facilities in the apartments where they live.
- » Lending redlining practices.
- » Non-compliance with accessibility requirements that allow people with disabilities to occupy housing units and facilities.
- » Appraisal bias.

NFHA's Office of General Counsel also engaged in efforts to support systemic discrimination cases and major civil rights issues through filing amicus briefs in key cases. As a result, we submitted seven amicus briefs. Our efforts helped advance civil rights laws, preserve important rights, including the ability to use testers in civil rights investigations; and withstand major attacks by predatory lenders to dismantle the Consumer Financial Protection Bureau.

U.S. SUPREME COURT TAKES UP HISTORIC CASES



In a 7-2 ruling, the U.S. Supreme Court affirmed the legitimacy of the Consumer Financial Protection Bureau (CFPB)'s structure. This victory for consumers came after months of vicious attacks throughout 2023 against the agency by payday lenders who sought to undermine its validity. NFHA was one of the CFPB's architects following the 2008 financial crisis and regularly fought back against attempts to dismantle it.

The Acheson v. Laufer case sought to decide whether testers can bring lawsuits under the Americans with Disabilities Act. In October 2023, the U.S. Supreme Court disposed of the case on mootness grounds, upholding long-standing precedent that allows for civil rights 'testers' to uncover unlawful discrimination across a range of markets – housing, employment, credit, and technology.

In a major setback for civil rights, the U.S. Supreme Court ruled in June 2023 that Harvard and UNC's affirmative action plans violate the 14th Amendment's Equal Protection Clause. By ignoring nearly 50 years of precedent regarding the consideration of race in college admissions, the Court created new hurdles for students of color and students from intentionally disadvantaged communities seeking to expanding their future opportunities through higher education. NFHA vowed to continue partnering with other civil rights organizations to uplift communities of color and ensure that opportunities in education are open to all.

NFHA collaborated with law firm partners Emery Celli Abady Brinkerhoff Ward & Maazel, LLP and Relman Colfax, PLLC, to develop and submit an amicus brief in this important case. NFHA's amicus brief argued that the Supreme Court should uphold its stance, which it adopted in Havens Realty, that testers do suffer concrete and particularized harm and, as per the U.S. Constitution, have standing to seek redress in the courts.



THE IMPACT OF OUR EFFORTS TO BUILD RESILIENT AND INCLUSIVE COMMUNITIES

Often, enforcement actions result in settlements with monetary relief that can be re-invested through grants to communities that have been harmed by discriminatory practices. These grants help re-stabilize neighborhoods and improve quality of life. For example, using settlement funds from a historic settlement with Fannie Mae, NFHA issued \$8.3 million in grants in 2023 through its Inclusive Communities Fund grant program. These grants – up to \$185,000 each – went to organizations in 16 metropolitan areas to help people access equitable housing opportunities and promote stable, healthy, viable communities. As a direct result of the Fannie Mae settlement alone, we have helped 6,200 people receive financial or housing counseling, created 48 new homeowners, built 586 affordable houses, revitalized 417 vacant lots and green spaces, and prevented 36 foreclosures. Thanks to the tireless efforts of our enforcement and community development teams, we will undoubtedly be able to help even more people and communities in the years to come.



Mary and Roberto's Journey to Homeownership

In 2021, Mary, Roberto, and their four children came to the Neighborhood Development Alliance (NeDA) in Saint Paul, Minnesota with the goal of purchasing a home. They were financially prepared to do so, but the only barriers that remained were their down payment and closing costs. When NeDA became a grantee of NFHA's Inclusive Communities Fund, the ICF funds helped to successfully close the gap the family faced between their savings and purchasing a home. On March 6, 2023, they closed on their home and began a new chapter of building their wealth as a family.



THE IMPACT OF OUR EFFORTS TO COMBAT ALGORITHMIC BIAS THROUGH RESPONSIBLE AI

NFHA's Responsible AI Lab is committed to dismantling and preventing any barriers in automated systems in the housing and lending sectors. The team's mission is to champion, promote and advance consumers' rights to fairness, privacy, security, explanations, safe and valid algorithms, and human-centered alternative solutions in housing and lending applications of artificial intelligence (AI) while encouraging sustainable and responsible innovations by AI developers. Through rigorous research, engineering, advocacy and collaboration, NFHA's Responsible AI Lab aims to create a future where AI-augmented decisions in housing and lending are equitable.

In 2023, the team produced industry-leading research including a joint paper with Tech Equity Collaborative that explored the need for a unified and coherent strategy that incorporates privacy, civil rights and consumer protections into digital products and services as AI becomes ubiquitous.

In June, NFHA held its inaugural Tech Equity Hackathon in Washington, D.C. During the three-day event, several teams of students, recent college graduates, and others competed to develop innovative solutions to remove bias from the housing and lending sectors. Specifically, teams were tasked with:

- » Testing an automated valuation model (AVM) for racial bias in model outcomes;
- » Quantifying the size of the bias, if any;
- » Identifying model features that drive the bias;
- » Describing potential societal harms that can result from this bias; and
- » Providing policy recommendations to address the AVM bias while retaining the performance of the AVM used to estimate a home's value.

Ultimately, a team comprised of Yoshi M. Bird, Qilin Tong, and Nicholas Bowen — was chosen by a panel of expert judges and received a \$25,000 reward.

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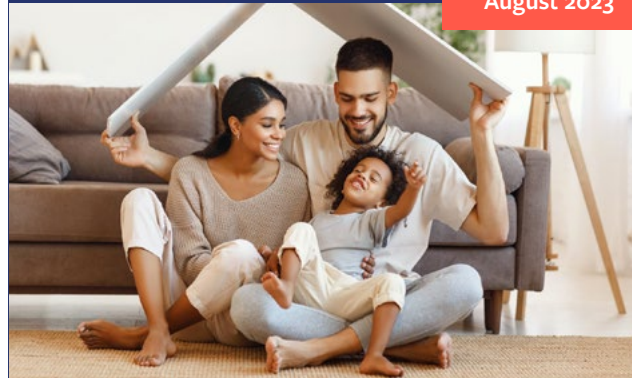
TECH EQUITY
HACKATHON

NFHA's Responsible AI Team Focuses on These Key Areas:

- Tech Equity
- Privacy and Security
- Reliability
- Explainability
- Human-centric Alternatives and Fallbacks

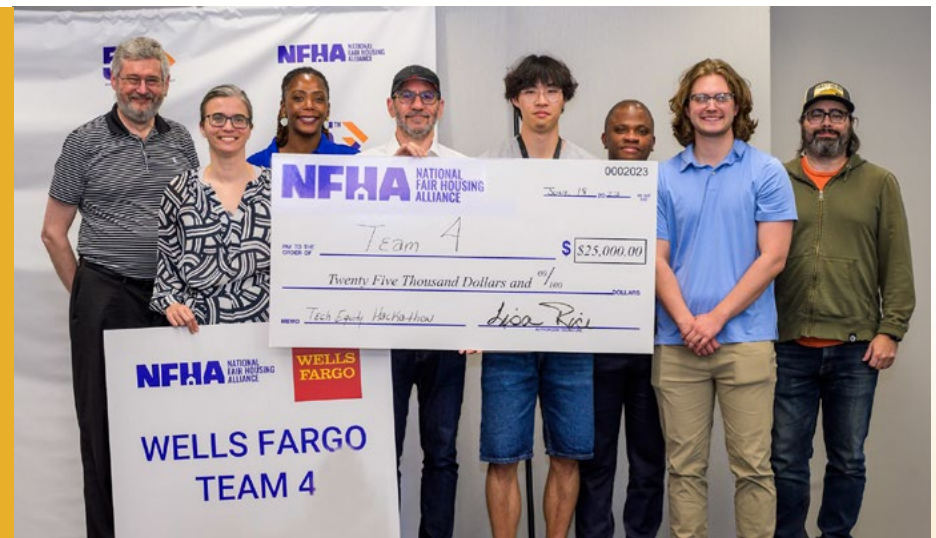
Privacy, Technology, and Fair Housing - A Case for Corporate and Regulatory Action

August 2023



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THE IMPACT OF OUR COMMITMENT TO SUPPORT THE FAIR HOUSING MOVEMENT

In 2023, NFHA trained 54 fair housing professionals and staff through the Fair Housing School®, equipping them with essential skills and knowledge to further develop their investigative capacity and advocacy. Additionally, NFHA's Member Services team conducted a survey of members to prioritize fair housing courses for the following year and better accommodate members' needs.

The topics in order of popularity were:

- » FHIP and Financial Management
- » Intermediate Fair Housing Investigations
- » Fair Housing Fundamentals
- » Board Development
- » Advanced Fair Housing Investigations

The Member Services team also continues working to increase the number of Operating and Supporting members and provide support for new initiatives or organizations intending to be full-service fair housing agencies where no qualified fair housing agency provides services. Member Services, through its Emerging Leaders Advisory Council (ELAC), is also actively developing the next generation of fair housing advocates and working to increase the racial, ethnic, gender, religious, and linguistic diversity of fair housing practitioners.

CELEBRATING 55 YEARS OF THE PASSAGE OF THE FEDERAL FAIR HOUSING ACT

We have come a long way since the Fair Housing Act was passed. Yet, with these accomplishments, and in the midst of material abundance, we still have unfair systems that are driving racial wealth and homeownership gaps, economic inequality, and structural barriers for women, people with disabilities, certain religious groups, new immigrants, and LGBTQ+ communities. The goal of 2023's commemoration of 55 years of the federal Fair Housing Act, was to bring together a plethora of voices, perspectives, and experiences to develop and promote strategies for not only eliminating bias in our society, but increasing equity, and creating healthy, vibrant, well-resourced neighborhoods where people can thrive.



2023 EVENTS OVERVIEW

Throughout 2023 NFHA hosted a series of events to commemorate the anniversary of the Fair Housing Act

JANUARY

“Our America Lowballed” Documentary Screening and Panel Event in partnership with Brookings Institution, ABC, and National Geographic, **January 12th**

Report Release and Webinar

THE BAD HOUSING BLUES: Discrimination in the Housing Choice Voucher Program in Memphis, Tenn. in partnership with NAACP Legal Defense and Education Fund (LDF) **January 17th**

MARCH

Housing & Health Symposium

in partnership with Nationwide and Community of Caring Development Foundation, Linden Community Center, **March 28th**, Columbus, Ohio

APRIL

Reaching Back, Advancing Forward: Commemorating the Kerner Commission Report, Dr. Martin Luther King Jr.’s Open Housing Movement, and Passage of the Fair Housing Act in partnership with LDF and Howard University

55th Anniversary Media Campaign Launch and Fair Housing Month Social Media Celebration

JUNE

Fair Housing Trends Report Release and Homeownership Month Social Media Celebration Tech Equity Hackathon, **June 16-18, 2023**, American University

JULY

National Fair Housing Alliance’s National Conference - The Fair Housing Act at 55: Advancing a Blueprint for Equity
July 16-18, Renaissance Hotel, Washington, DC

AUGUST

Martha’s Vineyard Event

FALL 2023

Tech Equity Initiative Report Release and Tech Equity Forum
Keys Unlock Dreams Initiative Event in Baltimore, Maryland





NFHA 2023 AT A GLANCE





2023 FINANCIAL SNAPSHOT

| ASSETS | 2022 | 2023 |
|--|---------------------|---------------------|
| Current Assets | \$20,957,110 | \$25,137,337 |
| Fixed Assets | 413,182 | 358,755 |
| Deposits | 32,182 | 32,182 |
| Right-of-use asset, net | | 1,463,133 |
| Grants and contributions receivable, net | 1,865,667 | 1,094,260 |
| Total Assets | \$23,268,141 | \$28,085,667 |

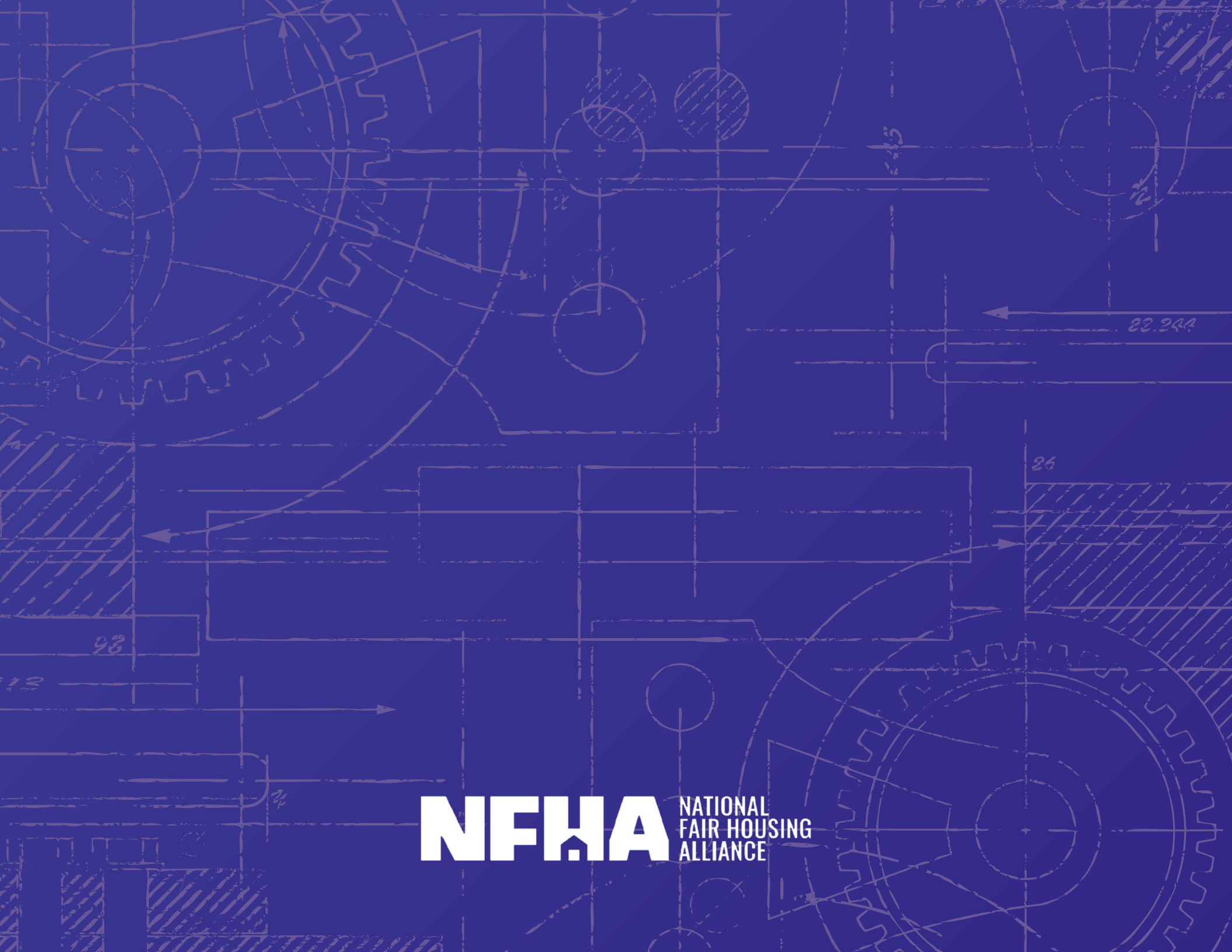
| LIABILITIES AND NET ASSETS | 2022 | 2023 |
|---|---------------------|---------------------|
| Current Liabilities | \$899,866 | \$2,740,826 |
| Deferred Rent | 632,523 | |
| Operating lease liability, net | | 1,747,606 |
| Total Liabilities | 1,532,389 | 4,488,432 |
| Total Net Assets | 21,735,752 | 23,597,235 |
| Total Liabilities and Net Assets | \$23,268,141 | \$28,085,667 |
| Total Support & Revenue | \$24,664,224 | \$17,334,502 |
| Total Expenses | 8,536,575 | 15,473,019 |
| CHANGE IN NET ASSETS | \$16,127,649 | \$1,861,483 |

2023 CORPORATE, FOUNDATION AND ORGANIZATIONAL FUNDERS

Citizens Bank
Nationwide
Rocket Mortgage
Citi Foundation
Freddie Mac
Mr. Cooper
JP Morgan & Chase Co.
National Association of REALTORS®
A.G. Spanos Companies
Airbnb
Arch MI
CareFirst
The Causeway Agency
Mortgage Bankers Association
Fannie Mae
Pulte Mortgage
Relman Colfax PLLC
Appraisal Institute

Dane Law
Housing Policy Council
Wells Fargo
Oak Foundation
Robert Wood Johnson Foundation
Melville Charitable Trust
State Farm
Habitat for Humanity
Zillow
Equifax
Allstate
The Bridgespan Group
AARP
Starbucks
CoreLogic
Credo Mobile





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