

June 11, 2025

The Honorable Scott Turner U.S. Department of Housing and Urban Development 451 Seventh Street, SW Washington, DC 20410

Re: FY26 Budget

## **Dear Secretary Turner:**

The National Fair Housing Alliance® (NFHA™) writes to correct the record regarding the justification for cuts to the fair housing programs administered by the U.S. Department of Housing and Urban Development (HUD) and to urge you to advocate for critically necessary and more responsible levels of funding given the nation's escalating fair and affordable housing crisis and HUD's Congressionally mandated obligation to fully enforce the federal Fair Housing Act. NFHA welcomes the opportunity to meet with you and your team regarding these matters.

NFHA is the country's only national civil rights agency solely dedicated to eliminating all forms of housing discrimination and upholding the nation's fair housing laws. NFHA is also the trade association for roughly 200 organizations, which include non-profit fair housing organizations, throughout the U.S. and its territories. Our members provide assistance to people facing housing discrimination; promote fair housing principles; and work with government, private industry, and other stakeholders to expand equal and fair housing opportunities for all—ensuring that every community is healthy and well-resourced with the amenities people need to thrive.

The <u>justification</u> for cuts to HUD's fair housing programs is based on the erroneous assertion that state and local enforcement agencies funded through HUD's Fair Housing Assistance Program (FHAP) processed about 75 percent of the nation's fair housing complaints. In fact, <u>research</u> shows that local nonprofit fair housing organizations funded through HUD's Fair Housing Initiatives Program (FHIP) actually processed 75 percent of all housing discrimination complaints as compared to only 19 percent processed by FHAP agencies, 5 percent processed by HUD, and 0.12 percent processed by the U.S. Department of Justice. So, in reality, local fair housing organizations process more than 3 times as many complaints as all of the government agencies combined.

As the chart below illustrates, in 2023, there were 34,150 fair housing complaints filed in the U.S. Nonprofit fair housing organizations processed 25,789 of those complaints, while HUD, FHAP agencies, and DOJ processed 1,742, 6,577, and 42 complaints respectively. Typically, private, nonprofit fair housing groups process far more complaints than government agencies, as the data below shows. That is because these groups operate at the local level and frequently

engage with community development organizations, real estate professionals, lenders, homebuilders, and others in their local communities. These groups not only conduct comprehensive investigations to ferret out discrimination, but they also provide fair housing counseling, technical assistance, mediation services, and other important support for people who believe they have faced discrimination.

Complaint Data by Agency, 2013-2023

Year	NFHA Member	HUD	FHAPs	DOJ	Total
2013	18,932	1,881	6,496	43	27,352
2014	19,026	1,710	6,758	34	27,528
2015	19,645	1,274	6,972	46	27,937
2016	19,740	1,371	7,030	40	28,181
2017	20,595	1,311	6,896	41	28,825
2018	23,407	1,784	5,987	24	31,202
2019	21,117	1,771	5,953	39	28,880
2020	21,089	1,697	5,883	43	28,712
2021	22,674	2,093	6,413	36	31,216
2022	24,404	1,915	6,652	36	33,007
2023	25,789	1,742	6,577	42	34,150

Source: 2024 Fair Housing Trends Report, National Fair Housing Alliance

Throughout America, people are facing an escalating fair and affordable housing crisis, which severely restricts their ability to access housing opportunities. The <u>data</u> show the largest-ever number of fair housing discrimination complaints was filed in 2023, an increase of 3.5 percent over the number of complaints filed in 2022. Discrimination based on disability accounted for the majority of complaints, followed by complaints based on race. Domestic violence complaints doubled in size from 2020 to 2021 and have continued to rise each year since then.

Despite the escalating fair and affordable housing crisis and the cost-efficient complaint processing by FHIP-funded local fair housing nonprofits, the Trump Administration's FY26 budget proposes drastic and unjustified cuts. If passed, this budget would result in:

 eliminating the local Fair Housing Initiatives Program (FHIP), which was created under the Reagan administration and supports cost-efficient, local nonprofits that ensure access to housing opportunities free of discrimination for seniors, disabled veterans, people with disabilities, people of color, families with children, women, people of faith, and more;

- allocating only \$26 million for the state/local Fair Housing Assistance Program (FHAP)
  with no new money to make up for cutting other fair housing programs and failing to
  recognize that 12 states and many localities do not have FHAP-funded agencies to assist
  victims of housing discrimination; and
- allocating only \$55 million for HUD's Office of Fair Housing and Equal Opportunity (FHEO), which cuts \$31 million from its current budget. FHEO is already under-funded and lacks sufficient staffing. The Trump administration's proposed cuts will significantly reduce FHEO's staff at a time when complaints of discrimination are escalating and the nation faces a fair and affordable housing crisis. The cuts will further reduce FHEO's ability to effectively serve people seeking housing free of discrimination, which is troubling especially as algorithms are increasingly determining people's housing outcomes and making discrimination more difficult to detect.

The chart below outlines the historical funding for HUD's critical fair housing programs and shows the President's FY26 unprecedented proposed cuts to longstanding, bipartisan fair housing programs:

Historical Fair Housing Program Account Funding (in millions)													
<u>Account</u>	FY17	<u>FY18</u>	FY19	FY20	<u>FY21</u>	CARES	<u>FY22</u>	<u>FY23</u>	FY24/ FY25*	President FY26 Request	NFHA's FY26 Request		
FHIP	\$39.2	\$39.6	\$39.6	\$44.95	\$46.3	\$21	\$56	\$56	\$56	\$0	\$125		
FHAP	\$24.3	\$23.9	\$23.4	\$23.5	\$24	\$1.50	\$25	\$26	\$26	\$26	\$36.6		
FHEO	\$72	\$69.8	\$72	\$75	\$79.8	\$0	\$88	\$97	\$86	\$55	\$153		

<sup>\*</sup> We are currently operating under a continuing resolution (CR) for FY25 through September 30, 2025.

Without local fair housing organizations on the ground serving their communities, everyday people will be unfairly denied housing opportunities, resulting in more people becoming homeless and/or facing housing insecurity. We urge you to consider the plight of individuals and families simply seeking housing free of discrimination and the opportunity to live and thrive in well-resourced communities. We also urge you to correct the error made previously, in which the Administration inaccurately conveyed that FHAP groups investigated 75 percent of fair housing complaints. As the data reflect, private, nonprofit fair housing groups investigated and processed over 75 percent of all fair housing complaints. We also strongly urge you to advocate for more responsible levels of fair housing funding so HUD can ensure the Fair Housing Act is fully enforced as Congress mandated. Enclosed is a one-page summary of the fair housing programs that are at risk. We stand ready to work with you to promote fair housing opportunities for all people and communities in America.

Members of the NFHA Board of Directors and I would appreciate meeting with you to discuss these matters further. HUD and NFHA have had a longstanding relationship, working together over the decades to advance fair housing. We look forward to engaging with you in meaningful dialogue regarding these critical matters.

Sincerely,

Lisa Rice

President and CEO

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## Enclosure

cc: The Honorable Susan Collins

The Honorable Patty Murray
The Honorable Tom Cole
The Honorable Rosa DeLauro