U.S. Senate Spotlight Shadow Hearing with HUD Whistleblowers

Testimony of

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Introduction

Ranking Member Warren, and other distinguished members, thank you for the opportunity to testify today. I am Sasha Samberg-Champion, Special Counsel for Civil Rights of the National Fair Housing Alliance® (NFHA™). NFHA leads the fair housing movement and works to eliminate housing discrimination and ensure equitable housing opportunities for all people and communities through its education and outreach, member services, public policy, advocacy, housing and community development, responsible AI, enforcement, and consulting and compliance programs. NFHA represents over 170 local non-profit fair housing enforcement agencies throughout the U.S.

NFHA appreciates the attention given to the issues raised by the courageous HUD whistleblowers. On a personal note, I was Deputy General Counsel at HUD in the Biden-Harris Administration. Among my responsibilities, I supervised HUD's fair housing attorneys, including the two who are testifying today. I can attest that they, as well as their colleagues in HUD's Offices of General Counsel-Fair Housing and Fair Housing and Equal Opportunity, are among the most dedicated and capable public servants this country could want. It is a travesty that they have not been permitted to do their jobs and serve the people of America.

Our nation is in the throes of a fair and affordable housing crisis impacting millions. Rather than working to ameliorate this crisis, the actions of the Trump Administration have compounded it. They have caused chaos, fear, insecurity, dysfunction, and rising prices around the country. Instead of providing everyday people of our nation with practical solutions to the housing crisis, the administration is removing rungs on the ladders of opportunity for everyday people. The Trump Administration's haphazard executive actions, in addition to denying justice to those who have faced discrimination, are causing serious economic and personal injuries that will undermine our already fragile housing market and our nation.

Congress established fair housing as a national policy of the U.S. with the passage of the Fair Housing Act of 1968. The landmark legislation provides two promises:

- The right for all people to access housing free of discrimination; and
- The creation of inclusive and vibrant communities with life-affirming amenities everyone needs to thrive.

The Fair Housing Act has long enjoyed strong bipartisan support. Congress bolstered the Act's protections in 1988, including by providing HUD with greater authority to take enforcement action through its Fair Housing and Equal Opportunity component. Soon after, Congress created the Fair Housing Initiatives Program, pursuant to which private non-profit organizations around the country provide education about and enforcement of the Fair Housing Act at a scale and at a local level that HUD cannot. Those two programs are vital to making the Act's promises real. Yet this Administration has been rapidly dismantling both HUD's own capacity to enforce the Act and that of its grant recipients. It is not doing so at Congress's behest. Rather, it is refusing to spend money that Congress appropriated or to implement programs that Congress authorized in good faith.

Congress must act to ensure that HUD follows its statutory mandate to enforce the Fair Housing Act. A housing market in which all people cannot participate fairly, without regard to race, color, national origin, religion, gender, familial status, or disability, is a broken market both economically and morally.

My testimony provides background drawn from previous testimonies[1] regarding issues driving the fair and affordable housing crisis as well as HUD's actions in this administration that are worsening it.

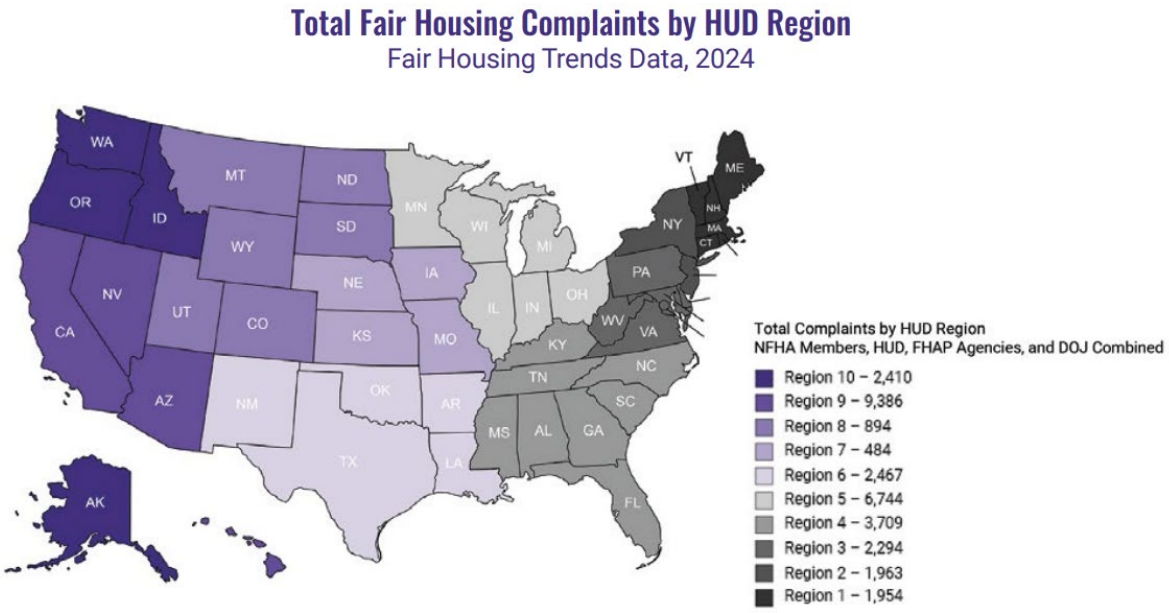
Background: People in America Are Facing an Escalating Fair Housing Crisis

The people of America are facing an escalating fair housing crisis that impacts every aspect of their lives. In this country, place is inextricably linked to opportunity: where we live determines our access to fresh air, clean water, well-resourced schools, quality healthcare facilities, reliable transportation, good jobs, consistent internet service, and much more. In the U.S., too many people are stuck in places that impede rather than promote their ability to thrive. Following is a description and overview of the nation's fair housing crisis.

[1] *See, e.g., Testimony of Nikitra Bailey,* Hearing before the House Financial Services Committee entitled*,* Building Capacity: Reducing Government Roadblocks to Housing Supply (Dec. 3, 2025); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, *Building Our Future: Increasing Housing Supply in America* (March 4, 2025); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, *The Characteristics and Challenges of Today's Homebuyers* (March 20, 2024); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Committee on Financial Services, entitled, *Boom or Bust: The Need for Bold Investments in Fair and Affordable Housing to Combat Inflation* (Dec. 1, 2022); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Select Committee on Economic Disparities and Fairness in Growth, entitled, *Promoting Economic Disparity and Fair Growth through Access to Affordable and Stable Housing* (March 1, 2022).

THE FAIR HOUSING CRISIS

Housing Discrimination Complaints Are at Record Highs



Throughout America, people are facing a dire fair housing crisis, which severely restricts their ability to access housing opportunities. At this moment, we are seeing some of the largest numbers of fair housing discrimination complaints in two decades.[2] Recent trends include:

- Disability related discrimination accounted for the largest share of complaints at 54.6 percent, followed by race, national origin, sex, familial status, and religion.
- Complaints based on national origin rose 8.45 percent from the previous year, marking the highest number since 2018.
- Retaliation complaints more than doubled from the previous year to the highest recorded level.

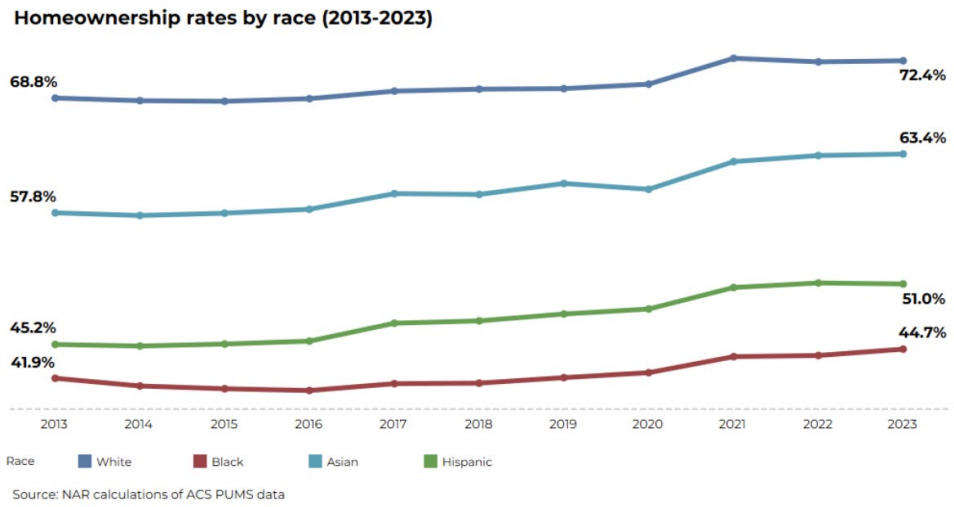
Private nonprofit fair housing organizations continued to process nearly 75 percent of these complaints. But, as explained further below, the Trump Administration is attempting to defund HUD's Fair Housing Initiatives Program (FHIP), which funds these local non-profit fair housing agencies. The FHIP was created in 1987 under the Reagan Administration to establish and support a network of highly experienced private fair housing enforcement organizations throughout the nation to foster compliance with the Fair Housing Act and state and local fair housing laws through enforcement and education. These community-based organizations have effectively assisted vulnerable communities with being made whole after incidents of housing discrimination. And they serve veterans with disabilities seeking to get off the streets; families with children seeking a safe home; survivors of domestic violence fleeing physical and sexual abuse; Black, Latino, Asian American and Pacific Islander, and Native people seeking mortgage loans free of discrimination; and more. These organizations also reformed sexual harassment,

[2] NFHA, *2025 Fair Housing Trends Report* (2025).

racial steering, and redlining practices in housing. If anything, these private, community-based nonprofits need substantially more resources to address these critical problems and ensure fair housing opportunity for all. *See* Appendix A for testimonials from local fair housing groups regarding how the funding disruptions HUD has caused have impeded their ability to serve their communities.

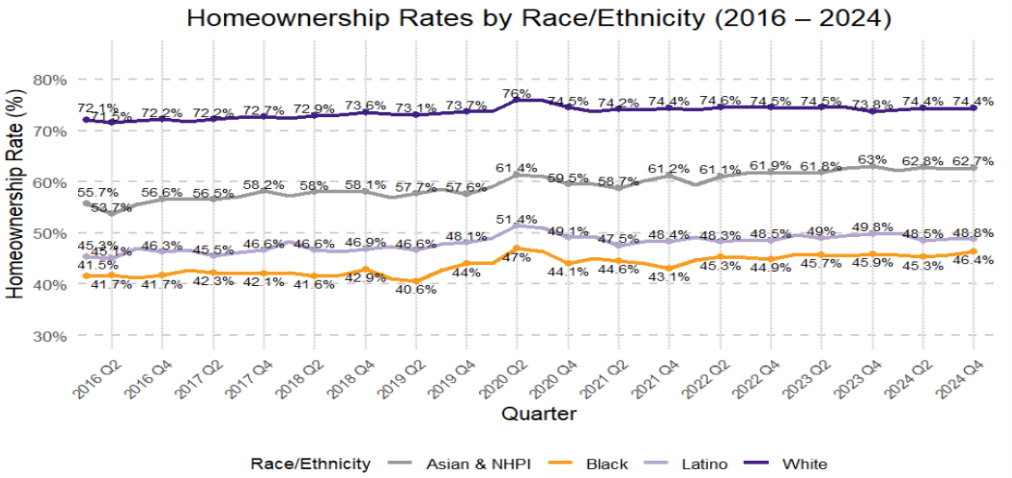
The near-record complaints and attacks on community-based fair housing groups come amid a steep decline in the ability to enforce civil rights protections. The administration has pushed drastic cuts to funding and staffing for the federal fair housing enforcement agencies, including the U.S. Department of Housing and Urban Development (HUD), the Consumer Financial Protection Bureau (CFPB), and the U.S. Department of Justice (DOJ). Most recently, the nation has faced the longest federal government shutdown in U.S. history, which the administration used to further eviscerate key agencies that support fair housing and civil rights. In sum, the administration has abandoned the people of America during the most dire fair housing crisis in decades.

The Black-White and Latino-White Homeownership Gap Remains Wide and Persistent



The homeownership gap remains wide and persistent. Currently, the homeownership rate is about 72.4 percent for White households, 51.0 percent for Latino households, and 44.7 percent for Black households. In 1960 (before passage of the Fair Housing Act in 1968), there was a 27-percentage point gap between Black homeownership (38 percent) and White homeownership (65 percent).[3] So, the current Black-White homeownership gap of 28- percentage points is ***higher*** than it was before passage of the Fair Housing Act in 1968.

[3] National Association of REALTORS® Research Group, *2025 Snapshot of Race and Homebuying in America* (2024); Urban Institute, *Reducing the Racial Homeownership Gap.*



Source: U.S. Census Bureau via FRED®

Race/Ethnicity	2019 Q2	2024 Q4	Percentage Point Difference	Percentage Increase	H/O Racial Gap 2019	H/O Racial Gap 2024
White	73.1	74.4	1.3	1.78%	NA	NA
Asian & NHPI	57.7	62.7	5.0	8.67%	26.69%	18.66%
Latino	46.6	48.8	2.2	4.72%	56.87%	52.46%
Black	40.6	46.4	5.8	14.29%	80.05%	60.34%

The Trump Administration's actions are undermining recent growth in homeownership rates for underserved communities, including people residing in rural neighborhoods. According to *The State of Equitable Homeownership 2025 Report*[4], from 2019 through 2024, homeownership rates had been on an upward trend overall before the Trump Administration took office:

- The Black homeownership rate grew by 14.29 percent.
- The Asian American and Pacific Islander homeownership rate increased by 8.67 percent.
- The Latino homeownership rate rose by 4.72 percent.
- The White homeownership rate was up by 1.78 percent.

Unfortunately, the Trump Administration has dismantled many programs key to this progress. For example, it reversed progress on the use of Special Purpose Credit Programs (SPCPs) that provided $82 million in reduced costs to 57,282 borrowers of all races from 2022 to 2024[5] and now is proposing to make SPCPs virtually impossible to establish.[6] It discontinued the Veterans Affairs Servicing Purchase (VASP) program, a key program assisting veterans and their families with obtaining affordable payments if their VA loans are delinquent[7]; reversed the CFPB's ban on using the inclusion of medical bills on credit reports and requiring credit reporting companies to remove medical bills and information from credit reports[8]; attempted to eliminate the longstanding use of a critical fair lending rule that has been upheld for more than 40 years as essential to enforcing equal lending opportunities, and that lenders rely on to remove

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[4] Shanti Abedin, Laurie Benner, Jameel Khan, et. al., *The State of Equitable Homeownership 2025 Report* (June 25, 2025).

[5] *See*, FHFA, *Order Issuing Directive to Terminate Special Purpose Credit Programs*, Decision No. 2025-145 (March 25, 2025); https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf.

[6] ECOA proposed rule, https://www.federalregister.gov/documents/2025/11/13/2025-19864/equal-credit-opportunity-act-regulation-b.

[7] *Veterans Affairs Servicing Purchase (VASP) Program Wind Down*, Circular 26-25-2 (4/23/2025).

[8] Ken Alltucker, *Medical Debt Remains on Credit Reports after Biden-Era Rule Tossed by Judge*, USA Today (July 15, 2025); *Federal Law Preempts State Law on Credit Reporting*, ABA Banking Law Journal (Oct. 28, 2025).

unnecessary barriers[9]; among many other actions, all of which are causing the gains of the previous years to start to decline.

Background: The Trump Administration's Actions Are Worsening the Fair and Affordable Housing Crisis

The Trump Administration has engaged in a series of actions that track the destructive Project 2025 and are only worsening the nation's fair and affordable housing crisis. *See* Appendix B for a list of the administration actions that are worsening the fair and affordable housing crisis. The actions turn the basic definition of fairness and civil rights upside down to protect the powerful and undermine those merely seeking fair access to their opportunity to achieve the American Dream. These actions generally fall into five categories and include:

1. **Increasing housing costs for the average renter, buyer, or homeowner**, including by imposing tariffs on key construction materials; and attacking, detaining, and deporting Latino immigrants who supply the skilled labor for construction trades.[10]

2. **Rolling back established housing rights for people of all backgrounds**, including by attacking basic civil rights protections under the guise of terminating diversity, equity, inclusion, and accessibility (DEIA) policies and erasing the existence of transgender people;[11] refusing to investigate cases alleging discrimination on the basis of sexual orientation and gender identity, notwithstanding Supreme Court precedent making clear such discrimination is barred by our civil rights laws; restricting HUD's ability to implement the Violence Against Women Act;[12] and choking off the funding for community-based fair housing groups.[13]

[9] Trump Administration, *Restoring Equality of Opportunity and Meritocracy* (April 23, 2025).
[10] *Testimony of Buddy Hughes, National Association of Home Builders*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, *Building Our Future: Increasing Housing Supply in America* (March 4, 2025).
[11] Trump Administration, *Ending Radical and Wasteful DEI Programs and Preferencing* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/; NFHA, *Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/.
[12] Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws,* NY Times (Sept. 22, 2025), https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html.
[13] Jennifer Ludden, *HUD Choked Funding to Enforce Fair Housing Laws. Legal Aid Groups May Not Survive,* NPR (March 15, 2025), https://www.npr.org/2025/03/15/nx-s1-5325936/hud-funding-fair-housing-laws-legal-aid-groups-scott-turner.

3. **Eviscerating key agencies that provide people with access to fair and affordable housing**, including HUD,[14] the CFPB,[15] and the DOJ.[16] In particular, while it is difficult to know exactly to what extent the HUD fair housing staff has been reduced—HUD has not provided any information regarding this—we estimate that FHEO staff is about half of what it was when the Trump Administration took office. Meanwhile, OGC Fair Housing, which provides vital support to FHEO, has been reduced by more than half. It is impossible for HUD to handle the volume of complaints it receives with current staffing, and HUD is not even trying to do so. Instead, it is finding reasons to dismiss or refuse to move forward on valid complaints. As described by other witnesses, HUD is compounding the problems caused by understaffing by preventing the staff that remain from doing their jobs effectively. The result is that the fair housing investigation and enforcement process has virtually ground a halt and is not effectively providing justice for those who have suffered discrimination.

4. **Jeopardizing people's data privacy and protection from unfair algorithms,** including by unleashing artificial intelligence and other automated systems on the housing market without the guardrails of a safe, secure, and trustworthy auditing framework.[17] Among other ways this is happening, as described further below, HUD and other federal agencies are refusing to enforce the disparate impact standard, which is a leading way to ensure that algorithmic decision-making is fair and does not unnecessarily exclude people from opportunities.

Recommendation: Congress should—

- Lead the way in protecting congressionally mandated civil rights gained through people's blood, sweat, tears, and lives sacrificed; demonstrating an unwavering commitment to racial equity; promoting anti-discrimination measures; and recognizing the many ways that fair housing and fair lending benefit American society.
- Provide oversight to ensure a fully-staffed and fully-funded HUD, CFPB, and DOJ as well as full funding of FHIP and FHAP grants to the community-based organizations on the frontlines working to assist people with being made whole from potential discrimination.

[14] Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html.
[15] Michael Stratford, *CFPB's Breaking Point*, Politico (Nov. 4, 2025), https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453.
[16] Ryan Lucas, *Trump's Push to Reshape the DOJ's Civil Rights Division Sparks Mass Exodus of Attorneys*, NPR (2025), https://www.npr.org/2025/05/12/nx-s1-5387495/trumps-push-to-reshape-the-dojs-civil-rights-division-sparks-mass-exodus-of-attorneys.
[17] NFHA, *NFHA President and CEO Lisa Rice Issues Statement on Trump Administration's AI Plan and Executive Orders* (July 5, 2025), https://nationalfairhousing.org/national-fair-housing-alliance-nfha-president-and-ceo-lisa-rice-issues-statement-on-the-trump-administrations-ai-plan-and-executive-orders/.

Issues and Recommendations: Congress Should Provide Oversight to Protect Congressionally Mandated Civil Rights

Issue #1: The Trump Administration has refused to administer the Fair Housing Initiatives Program lawfully and in good faith.

Created in 1987 under the Reagan Administration, the Fair Housing Initiatives Program (FHIP) is a competitive grant program that supports private nonprofit fair housing organizations in their efforts to provide education and outreach to the public and housing providers and to enforce the Fair Housing Act by investigating allegations of discrimination in their local housing markets. Congress has appropriated money for FHIP annually for many years, regardless of which party controls Congress, and FHIP funds benefit many lawmakers' communities around the country. The stability of FHIP funding from year to year allows FHIP-funded organizations to hire staff, secure office space, and otherwise plan as organizations. FHIP is administered by FHEO. FHIP supports three primary activities:

- The **Private Enforcement Initiative**, which enables qualified private non-profit fair housing enforcement organizations to conduct complaint intake, testing, investigations, and other enforcement activities.

- The **Education and Outreach Initiative** funds organizations to educate the public about fair housing rights and responsibilities and local housing providers about how to comply with the law.

- The **Fair Housing Organizations Initiative** builds the capacity and effectiveness of fair housing organizations and funds the creation of new organizations.

FHIP-funded organizations are an enormous part of how the federal government enforces the Fair Housing Act. According to NFHA's 2025 Fair Housing Trends Report, in 2024, FHIP-funded organizations investigated 23,957 complaints of housing discrimination. The 2024 complaint data shows that private fair housing organizations continued to process the majority of housing discrimination complaints reported throughout the country—more than all federal, state, and local agencies combined. Private, non-profit fair housing organizations processed 74.12% of complaints, compared to 4.85% by HUD, 20.90% by FHAP agencies, and 0.14% by DOJ.

However, the Administration's actions have threatened the existence of this network of highly experienced, private, community-based fair housing enforcement organizations throughout the nation.

On the night of February 27, 2025, the U.S. Department of Housing and Urban Development (HUD) sent notices terminating 78 grants and ordering the grant recipients to cease work, effective immediately. These cancelled grants severely impacted FHIP-funded organizations and the communities they serve, disrupting long-time work to enforce the Fair Housing Act protecting seniors, disabled veterans, survivors of domestic violence, families with children, people of color and faith, LGBTQ+ individuals, underserved rural communities and other people who have been victims of housing discrimination. HUD later stated in court filings that it issued these terminations at the direction of the HUD task force of Elon Musk's so-called Department of Government Efficiency (DOGE).

This action followed on the earlier, more general funding freeze that was implemented on January 27, 2025, stopping federal grant, loan, and assistance payments. The frozen funding included funding for local fair housing agencies. There was no recognition that these agencies provide essential assistance to vulnerable populations in addressing claims of housing discrimination and support in securing safe, decent, and affordable housing.

Only after NFHA and its members sued and secured an injunction a month later did HUD reinstate the illegally terminated grants. The disruption and uncertainty caused by a month without funding or certainty that organizations were permitted to do their work did irreparable damage to many organizations and their communities. And HUD was not done attacking the FHIP program.

For many years, HUD has awarded multi-year FHIP grants, to provide grantees with further stability in operations. While paperwork must be done to begin each grant year, until now that has been a routine process. But in May 2025, HUD began refusing to let grantees begin the second or third year of multiyear grants. Thus, a grantee whose grant year ended on May 31 entered June with no funding and no word on when payments would resume. Meanwhile, HUD refused to make Fiscal Year 2024 grant awards to replace expiring grants— even though it had already published a notice of funding availability and taken applications—and offered no indication of when it would do so as the September 30, 2025 deadline to make those awards approached.

Once again, FHIP recipients had to sue HUD to get the agency to make awards with the money that Congress had appropriated for fair housing. After a court ruled against it, HUD finally permitted FHIP recipients to move forward with the second and third years of multiyear grants. It waited until the last possible day, September 30, to make FY 2024 grants—and it still has not done the paperwork to actually start the grants, several months later.

Between these multiple refusals to administer a program authorized and funded by Congress, HUD has created long funding gaps that forced many fair housing agencies to greatly curtail services or close entirely. Many FHIP recipients have seen their capacity damaged in 2025 by loss of funding and uncertainty of future funding. While most continued to operate, many had to lay off staff, cut back programs, and delay investigations, to the detriment of the clients they serve as well as their employees.

See Appendix A for testimonials from local fair housing organizations regarding how the various funding disruptions have impeded their ability to serve their communities.

Meanwhile, the Administration sent to Congress a proposed budget that would zero the FHIP program out entirely after decades of unbroken funding. The Administration stated that FHIP grants were "to advocate against single family neighborhoods and promote radical equity policies." (In fact, FHIP grantees primarily do the bread-and-butter work of enforcing basic fair housing requirements, such as ensuring that landlords make reasonable accommodations for tenants with disabilities.)

Recommendations: Congress should –

- Provide oversight to ensure HUD distributes appropriated funds as Congress intended.
- Include language such as is included in the current draft of the Senate T-HUD bill providing set deadlines for HUD to make awards and then do the paperwork necessary to begin grants.

Issue #2: The Trump Administration's FY26 Budget Will Worsen the Fair Housing Crisis

As everyday Americans face an escalating fair housing crisis, President Trump's FY26 budget proposed major cuts to the nation's fair housing programs, including:

- **Eliminating the local Fair Housing Initiatives Program (FHIP),** which was a program created under the Reagan Administration that funds cost-efficient, local nonprofits to ensure access to housing opportunities for seniors, disabled veterans, families with children, people with disabilities, women, people of color, people of faith, and more;

- **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 underfunded and lacks sufficient staffing, a problem that preexisted the Trump Administration and has been compounded by the administration's moves to eliminate a significant part of the FHEO staff it inherited without seeking approval from Congress. The Trump administration's proposed funding cuts would lock in the cuts it already has made unilaterally and permit it to significantly reduce FHEO's staff further at a time when complaints of discrimination are escalating. 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 the discrimination more difficult to detect.

Harmful cuts to our nation's fair housing programs will not result in efficiencies and instead will hurt everyday people trying to secure housing free of discrimination with the ability to live and thrive in well-resourced communities.

The Administration's budget proposal ignores the importance of fair housing, including:

- **Fair housing has long enjoyed strong bipartisan support:** The Fair Housing Initiative Program (FHIP) was created in 1987 under President Reagan to establish and support a network of highly experienced private fair housing enforcement organizations throughout the nation to foster compliance with the Fair Housing Act and state and local fair housing laws as well as provide enforcement and education. FHIP funding is the only federal resource for local, nonprofit, private enforcement and fair housing services.

- **FHIP provides critical local resources to protect housing opportunity:** In 2023, FHIP-funded organizations processed over 75 percent of all housing discrimination complaints filed compared to 19 percent processed by FHAP agencies, 5 percent processed by HUD, and 0.12 percent processed by DOJ. Private fair housing enforcement agencies continue to process more than 2.5 times as many complaints as the government agencies combined.

- **Local fair housing organizations provide a cost-efficient resolution to complaints:** If FHIP is eliminated, the work done by local fair housing organizations will stop and direct assistance will not be provided to people who are facing potential discrimination. Without local advocacy, victims of discrimination all over the country will have no recourse and will be at risk of losing their housing for discriminatory reasons based on their race, religion, ethnicity, family status, or disability. This will be devastating during the nation's fair and affordable housing crisis and could result in more people becoming homeless.

Recommendations: Congress should –

- Maintain level funding for HUD's vital fair housing programs, especially $56 million for the crucial Fair Housing Initiative Program (FHIP) and $26 million for the Fair Housing Assistance Program.
- Include language such as is included in the current draft of the Senate T-HUD bill providing set deadlines for HUD to make awards and then do the paperwork necessary to begin grants.
- Provide oversight to ensure HUD distributes appropriated funds as Congress intended.

Issue #3: The Administration Has Refused to Process Valid Complaints under the Fair Housing Act Regarding Claims of Disparate Impact, While Also Planning to Roll Back Regulations that Prohibit Disparate Impact Discrimination

The Fair Housing Act's long-established "disparate impact" standard is a common-sense legal tool designed to help more people achieve the American Dream of safe, stable, affordable housing free from discrimination. We all know that discrimination is not always explicit. For this reason, for over half a century, courts have recognized the use of the disparate impact standard to root out unjustified and discriminatory policies. For example, let's say a landlord has a policy requiring tenants to have a full-time job. The policy does not say "no people with disabilities." But this policy may have a harmful *impact* on people with disabilities, who are more likely to have part-time jobs—or pay their rent with income such as Social Security Disability Insurance. Under the disparate impact standard, unless the landlord can show that requiring a full-time job is actually necessary to ensure payment of the rent, the landlord would have to use a different policy (such as income requirements) that still ensures rental payment but is fairer to people with disabilities. That's just common sense.

Below are additional examples of using the disparate impact standard as a common-sense legal tool to ensure fair housing opportunity for all:

- Supposedly to reduce fraudulent claims, a homeowner's insurance company has a policy of not insuring homes valued at less than $150,000. This policy does not consider the condition of the property and disproportionately excludes Latino homeowners in the area who may have less expensive homes due to lower household wealth. Unless the insurance company can show that the policy actually reduces fraud, the company must use a different policy (such as fraudulent claim history) that is better targeted to reduce fraud and is fairer to Latino homeowners.

- Supposedly to reduce the risk of nonpayment, a landlord has a policy requiring a continuous employment history. This policy disproportionately excludes women who may have left the workforce at one time to care for a child or parent. Unless the landlord can show that the policy is necessary to ensure payment, the landlord will need to use a different policy (such as recent job history) that still ensures on-time payments but is fairer to women.

- Supposedly to reduce the risk of delinquency or default, a lender has a policy of requiring that mortgage loan applicants have a credit score that is higher than what is required by the lender's investors. This policy disproportionately excludes Black mortgage loan applicants who may have lower credit scores because they have lacked fair access to credit in the past and the score does not reflect their rental payment history—even though regular rental payments indicate likelihood to make regular mortgage payments. The lender will need to change the policy if there is another policy (such as using rental housing payment data or bank cash-flow analysis) that still reduces risk but is fairer to Black mortgage loan applicants.

Eliminating disparate impact discrimination benefits everyone by removing unfair barriers that don't have a legitimate purpose. For example, while discriminatory job requirements may disproportionately harm renters with disabilities, eliminating those requirements benefits all renters who would otherwise have been excluded by those unnecessary policies.

See Appendix C for cases using the disparate impact standard.

All of this is well-established. Courts have construed the Fair Housing Act to include disparate impact since shortly after the Act was passed in 1968. The Supreme Court has affirmed that the Fair Housing Act includes disparate impact. HUD and other agencies have applied the Fair Housing Act to include disparate impact for decades. Lenders, landlords, and other regulated entities have learned how to comply with disparate impact, and in doing so has made them more inclusive while still accomplishing legitimate aims.

Nonetheless, HUD in this Administration has dismissed existing disparate impact complaints, for no valid reason, and has announced that it will not consider new disparate impact complaints. And it has gone further to try to block *others* from employing disparate impact. For example, it has imposed conditions on FHIP grants disbursed to private non-profit organizations to prevent them from bringing disparate impact claims. And it has threatened to revoke federal funding for state and local agencies participating in the FHAP program if they adjudicate disparate impact claims.

HUD also is preparing to issue a notice of proposed rulemaking that would alter its own disparate impact regulations. That NPRM is not yet public, but we can anticipate it will be consistent with HUD's hostility to disparate impact.[18][19]

All of this is unlawful, since as noted above the Supreme Court has made clear that disparate impact is part of the Fair Housing Act. It is also terrible policy right now. The disparate impact standard, which makes our housing economy more rational and avoids unnecessary exclusions, is critical to addressing the nation's current fair and affordable housing crisis. America is facing a fair housing crisis as discrimination complaints skyrocket[20] and the Black-White homeownership gap remains as large as it was before passage of the Fair Housing Act in 1968.[21] People are also facing record-breaking housing costs that plague the nation's renters, homebuyers, and homeowners and put safe, stable, affordable housing out of reach for many households.[22]

Finally, the fair and affordable housing crisis is exacerbated by landlords, lenders, and others using black-box artificial intelligence and other technology, such as tenant screening and dynamic pricing tools, to further deny housing opportunities or arbitrarily and unfairly increase housing costs.[23] The rise of decision-making by algorithm makes disparate impact more important than ever. It can be harder and harder to find any "intent" at all, let alone discriminatory intent, yet the resulting decisions—especially those made by AI trained on data influenced by historical discrimination—can end up replicating intentional discrimination. It seems that HUD is planning to abandon the people of America during this crisis, rather than using the common-sense disparate impact analysis to ensure housing opportunity for all.

Recommendations: Congress should –

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[18] See Proposed Rule, https://www.federalregister.gov/documents/2025/11/13/2025-19864/equal-credit-opportunity-act-regulation-b; Coalition of 78 Civil Rights Organizations Urges Trump Administration Not to Eliminate Fair Access to Lending for Women, Underserved Communities, https://nationalfairhousing.org/coalition-of-78-civil-rights-organizations-urges-trump-administration-not-to-eliminate-fair-access-to-lending-for-women-underserved-communities/.

[19] Final Rule, https://www.federalregister.gov/documents/2025/12/10/2025-22448/rescinding-portions-of-department-of-justice-title-vi-regulations-to-conform-more-closely-with-the; National Fair Housing Alliance Forcefully Condemns the Trump Administration's Unjust Rollback of Key Civil Rights Protection, https://nationalfairhousing.org/national-fair-housing-alliance-forcefully-condemns-the-trump-administrations-unjust-rollback-of-key-civil-rights-protection/.

[20] National Fair Housing Alliance, *2025 Fair Housing Trends Report* (July 2024), https://nationalfairhousing.org/resource/2024-fair-housing-trends-report/.

[21] National Association of Realtors®, *2025 Snapshot of Race and Homebuying in America* (2025), https://cms.nar.realtor/sites/default/fi les/2025-03/2025-snapshot-of-race-and-home-buying-in-america-03-17-2025.pdf?_ gl=1*1j5wexp*_gcl_au*MTgxODA3OTc4NC4xNzQ4NzE3NDM2.

[22] Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2024* (2024), https://www.jchs.harvard.edu/sites/default/fi les/reports/fi les/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf.

[23] *See, e.g.,* Heather Vogell, *America's Largest Landlord Makes Deal With DOJ to Settle Price-Fixing Claims in RealPage Case*, Pro Publica (Aug. 12, 2025), https://www.propublica.org/article/greystar-realpage-doj-settlement-landlords-apartments-software.

- Urge HUD to preserve protections prohibiting "disparate impact" discrimination, including preserving the 2024 regulation prohibiting "disparate impact" discrimination (2023 Disparate Impact Rule).
- Exercise oversight over HUD's decision to stop enforcing disparate impact itself and attempt to coerce others into stopping as well.

Issue #4: Segregation and Discrimination Continue to Be Part of the U.S. Housing Market, Yet HUD Has Undermined Tools to Address Them

Contrary to this Administration's apparent belief that it is no longer a problem, the roots of discrimination in housing are deep, pernicious, and persistent. Thousands of race-conscious housing, banking, and other policies created systems and structures that were highly inequitable. Unfair laws and policies also produced a dual market—a separate and unequal housing system that rewarded White households while simultaneously debilitating Black, Latino, Asian American and Pacific Islander, and Native American households. This history continues to impact today's housing and lending markets.

The Homestead Act of 1862,[24] which President Lincoln signed into law during the Civil War, provided more than 1.6 million land grants comprised of 270 million acres of Native American territory West of the Mississippi River (10 percent of all the land on the U.S. at the time and 14 percent of the land area of the lower 48 states) to White male settlers to encourage western expansion of the U.S. The land grants excluded Native Americans, Black Americans, and other people of color, and displaced many Native Americans from their ancestral lands. Twenty percent of the recipients, around 46 million adults, can trace their families' wealth to this single piece of legislation.[25]

Even laws that appeared to be racially neutral were implemented with racialized policies. For example, in the 1930s, the New Deal's federal Home Owners' Loan Corporation (HOLC) developed one of the most harmful policy decisions in the housing and financial services markets by creating a system that included race as a fundamental factor in determining the desirability and value of neighborhoods.[26] The HOLC also created maps that were color-coded to indicate the desirability of neighborhoods. Communities of color were coded as "hazardous" as signified by red shading on the map and were assigned a lower value--even when the residents could afford mortgage loans. Areas that contained even small numbers of Black residents were coded as "hazardous" and shaded red. This approach led to the modern-day term "redlining," which refers to restricting access to credit in communities of color.

The federal government developed other explicitly discriminatory policies that perpetuated the unfounded association between race and risk into the nation's housing and financial markets. For example, the Federal Housing Administration (FHA) encouraged the use of racially

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[24] Act of May 20, 1862 (Homestead Act), Public Law 37-64 (12 STAT 392).
[25] Dedrick Asante-Muhammad, et al., *The Road to Zero Wealth: How the Racial Wealth Divide Is Hallowing Out America's Middle Class*, at 15 (Sept. 2017).
[26] The Home Owners' Loan Act of 1933 established the HOLC as an emergency agency under the Federal Home Loan Bank Board. 12 U.S.C. § 1461 *et seq*. *See also* University of Richmond, Virginia Tech, University of Maryland, and Johns Hopkins University, *Mapping Inequality* (documenting the maps and area descriptions created by the HOLC between 1935 and 1940); Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (2017).

restrictive covenants and required them in exchange for supporting the new housing developments built throughout the nation's suburban communities. Even after the Supreme Court declared in 1948 that racially restrictive covenants were not enforceable,[27] the FHA gave preferential treatment to developers that adopted them. From 1934 to 1962, the federal government backed over $120 billion in mortgages, but the FHA's race-based policies meant that 98 percent of these loans went to White Americans with only two percent of loans going to Black, Latino, Asian American and Pacific Islander, and Native American individuals. Similarly, the U.S. Department of Veterans Affairs (VA) instituted the use of discrimination in the administration of the GI Bill loan programs enacted by Congress in 1944.[28] In the state of Mississippi alone, just two out of 3,229 VA-insured mortgages went to Black servicemembers seeking to finance a home, business, or farm in the first three years of the program.[29]

Even after passage of the Fair Housing Act in 1968 and Equal Credit Opportunity Act in 1974, policies of the federal government, state and local governments, and private actors continued to perpetuate segregation and discrimination. Explicitly race-based policies were replaced by subtler "race-neutral" methods of excluding people of color. For example, in the 1960s and 1970s, the federal government began the urban renewal program and transportation projects in which cities often used eminent domain to condemn and raze housing, businesses, and churches and displace residents of Black communities.[30] In addition, exclusionary zoning policies have made it difficult for low- and even moderate-income households to live in many well-resourced communities.[31] Moreover, Home Mortgage Disclosure Act data reveals each year that Black and Latino borrowers are denied home mortgages at rates higher than the whole market.[32] Finally, technology can often be used to perpetuate discrimination instead of preventing it, for example, by using tenant screening or lending algorithms with built-in biases. Researchers found that algorithmic systems overcharge Black and Latino mortgage borrowers by $765 million yearly,[33] and Automated Valuation Models[34] perpetuate discrimination against homeowners of color.

To combat segregation and discrimination embedded in the U.S. housing market, the "Affirmatively Furthering Fair Housing" provision of the Fair Housing Act, which became law as a memorial to Dr. Martin Luther King Jr. following his horrific assassination in 1968, requires HUD to administer its programs in a way that affirmatively furthers fair housing (AFFH). The law requires jurisdictions to take actions that undo historic patterns of segregation and other types of discrimination as well as promote fair housing choice and foster vibrant and inclusive

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[27] *See Shelley v. Kraemer*, 334 U.S. 1 (1948).
[28] *See, e.g.,* Alex Horton, *Racial Discrimination by Veterans Affairs Spans Decades, Lawsuit Says*, Washington Post (Nov. 28, 2022).
[29] Dedrick Asante-Muhammad, et al., *The Road to Zero Wealth: How the Racial Wealth Divide Is Hollowing Out America's Middle Class*, p. 15 (September 2017).
[30] *See* Troy McMullen, *More Cities Seek to Redress Widespread 20th-century Destruction of Black Neighborhoods*, Washington Post (Feb. 10, 2022).
[31] *See* Margery Austin Turner and Solomon Greene, *Causes and Consequences of Separate and Unequal Neighborhoods*, Urban Institute.
[32] Jacob Channel, Dan Shepard, Xiomara Martinez-White, *Black Homebuyers in 50 Largest US Metros 1.6 Times More Likely to Be Denied for Mortgage Than Overall Population*, LendingTree (July 24, 2023).
[33] Robert Bartlett, Adair Morse, Richard Stanton, and Nancy Wallace, *Consumer-Lending Discrimination in the FinTech Era*, University of California, Berkeley, (Nov. 2019).
[34] Linna Zhu, Michael Neal, and Caitlin Young, *Revisiting Automated Valuation Model Disparities in Majority-Black Neighborhoods*, Urban Institute (May 19, 2022).

communities. The AFFH requirement has never been fully enforced, but HUD took important steps in the Obama and Biden administrations. In particular, the Biden administration put in place the 2021 Interim Final Rule, which required jurisdictions receiving federal funding to certify that they were taking meaningful steps to Affirmatively Further Fair Housing. The Biden Rule was in no way onerous—it provided ample flexibility for jurisdictions as to how to comply—but it established a definition for AFFH that aligned with the intent of the law.

However, on February 26, 2025, HUD terminated that rule and substituted a watered-down definition of AFFH.[35] Thus, during the Trump Administration, jurisdictions don't have to certify—let alone show—that they are doing anything meaningful to affirmatively combat the patterns of segregation and unequal access to housing that continue to plague our country. The Trump Administration's Interim Final Rule removes requirements for jurisdictions to take meaningful steps to comply with the law and returns us to the days when jurisdictions could sponsor poster contests at a local school to fulfill their fair housing obligations.

While the Trump Administration has couched this as an effort to provide flexibility to jurisdictions, in reality they are making it harder for those jurisdictions that want to do the right thing. Jurisdictions who are serious about helping their residents do not want to host poster contests to address their communities' fair and affordable housing crises; what they want is technical support, expert guidance, resources, and assistance from HUD to fix critical issues, like a lack of fairly-priced homes, poor access to fresh water, crumbling infrastructure, rising home insurance premiums, unfair appraisal practices, exclusionary zoning policies, and neighborhoods that cannot withstand natural disasters. With too many people living paycheck to paycheck, AFFH is critically important, opening the door for more people to live in healthy, viable, well-resourced neighborhoods with living wage jobs, clean air for our children to breathe, safe water in our homes, schools that provide our children with great educational opportunities, and adequate affordable and accessible housing.

States and localities are not allowing federal inaction to imperil their ability to create fair and affordable housing in their jurisdictions. States such as CA, FL, MA, MT, and TX are following NJ in requiring jurisdictions to create a version of its *Mt. Laurel Doctrine*, which requires municipalities to establish a "Fair Share Plan" for affordable housing units.[36] And cities like Boston are embedding AFFH in its planning process to ensure residents have access to well-resourced communities with the ability to thrive.[37]

But in recent weeks, HUD has begun attacking jurisdictions that are trying to follow the law and satisfy their AFFH obligation. HUD initiated an investigation into the City of Boston's housing policies, claiming that the city had "racialist ambitions" by "privileg[ing] one group of Americans

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[35] HUD, *Affirmatively Furthering Fair Housing Revisions*, 90 Fed. Reg. 11020 (March 3, 2025); Jeff Andres, *Trump Administration Ends Affirmatively Furthering Fair Housing Rule*, Housing Wire (Feb. 26, 2025); NFHA, *Leading Civil Rights, Consumer, and Housing Advocates Strongly Urge HUD to Withdraw Its Watered Down Affirmatively Furthering Fair Housing Rule* (May 13, 2025), https://nationalfairhousing.org/leading-civil-rights-consumer-and-housing-advocates-strongly-urge-hud-to-withdraw-its-watered-down-affirmatively-furthering-fair-housing-rule/.

[36] *See*, Jag Davies, *Mount Laurel at 50: New Jersey's Blueprint for Dismantling Residential Segregation*, The State Court Report (September 2, 2025); Roshan Abraham, *Fifty Years After Mount Laurel, Is Affordable Housing Finally Gaining Ground in New Jersey?*, Shelterforce (August 22, 2025).

[37] Mayor's Office of Housing, *Affirmatively Furthering Fair Housing (AFFH) Zoning* (November 12, 2025.

over another."[38] This incendiary and unfounded rhetoric, along with the investigation itself, is clearly intended to discourage jurisdictions from continuing to comply with the FHA's long-standing AFFH obligation. City officials, along with civil rights advocates, have strongly rejected these claims as legally and factually flawed.

Additionally, HUD has sought to leverage the Fair Housing Assistance Program (FHAP) to discourage jurisdictions from satisfying their AFFH obligations by offering protections beyond those that are explicit in the federal Fair Housing Act. Under FHAP, HUD contracts with participating state and local agencies that administer laws substantially equivalent to the federal Fair Housing Act to investigate and resolve fair housing complaints filed with HUD. HUD has informed participating agencies that their laws may not be considered substantially equivalent—and the agencies thus will be deemed ineligible to participate in FHAP—if they offer additional protections. Many state and local agencies offer a variety of additional protected classifications, including for veterans; people with criminal records; LGBTQ people; and people who use housing vouchers or other sources of income to pay their rent. Until now, HUD has encouraged such protections as a way to affirmatively further fair housing; now, it is actively discouraging jurisdictions from thus meeting their AFFH obligations.

Recommendation: Congress should vigorously protect the Affirmatively Furthering Fair Housing (AFFH) provisions of the Fair Housing Act, including by:

- Conducting oversight of HUD's efforts to attack local jurisdictions that voluntarily engage in meaningful action to affirmatively further fair housing and promote inclusive communities;
- Opposing any anti-AFFH budget riders; and
- Ensuring all new and existing federal agencies' housing and community development programs, including the programs of the U.S. Departments of Treasury, Transportation, and Environmental Protection Agency, comply with the obligation to AFFH.

Conclusion

The administration's actions are putting people in harm's way, leaving millions exposed to discrimination, harassment, and retaliation with no structure for protection. They have gutted our nation's fair housing enforcement mechanism at HUD, while also attempting to claw back essential grants that fuel the work of community-based fair housing organizations – causing some to close their doors. They are threatening common-sense tools, such as disparate impact, and minimizing the effectiveness of transformative laws such as the Equal Credit Opportunity Act, landmark legislation passed to ensure that women could fairly obtain credit in their own name without their husband or male relative co-signing a loan. Not content to reduce the federal government's capacity and willingness to combat discrimination, they are attempting to coerce states and localities that are still trying to do the right thing to stop their own anti-discrimination efforts. These actions will lead to devasting outcomes for our nation's most vulnerable populations.

[38] See HUD letter of December 11, 2025, https://www.hud.gov/sites/default/files/Main/documents/Letter-FHEO-Fair-Housing-Act-Investigation.pdf

Now is not the time to shrink efforts to root out discriminatory actions that impede Americans' ability to access housing free from discrimination. 'Out of Many, One' is our national motto – any effort to divide, stoke fear, and treat people unfairly is not in line with our nation's founding principles. America is best when united and relentlessly pursuing a country where everyone, regardless of their background, has a fair chance at reaching their American dreams. And housing is fundamental to people having the ability to do so.

Congress must:

- Protect congressionally mandated civil rights to ensure a fully staffed and functioning HUD (as well as other civil rights agencies such as the CFPB and DOJ).
- Provide oversight to ensure HUD distributes appropriated funds as Congress intended.
- Ensure that HUD cannot coerce states and localities into failing to protect fair housing rights.

Fulfilling fair housing laws improves people's lives and the communities in which they live. They also strengthen our economy and make the nation more prosperous.[39] Now is the time to do what we all know works--enforcing our nation's robust fair housing and lending infrastructure to put the promises of the Fair Housing Act within everyone's reach and spur the development of increased affordable housing opportunities.

[39] *See*, Citigroup, *In Pursuit of Equity: Why America's Future Depends on Closing the Racial Wealth Gap* (2021); Jeff Cox, *Morgan Stanley Says Housing Discrimination Has Taken a Huge Toll on the Economy*, CNBC (Nov. 13, 2020); and Dana Peterson and Catherine Mann, *Closing the Racial Inequality Gaps: The Economic*
Cost of Black Inequality in the U.S, Citi Global Perspectives and Solutions 3 (Sept. 1, 2020).

Appendix A – Local Fair Housing Group Testimonials re: Impact of Funding Cuts

Lila E. Hackett, Executive Director
Fair Housing Center of Northern Alabama
Birmingham, Alabama
"The Fair Housing Center of Northern Alabama serves twenty-nine of the sixty-seven counties in the northern portion of the state, a majority of which are rural. We also cover the largest cities in population; Birmingham, Huntsville, Tuscaloosa, Anniston-Gadsden, and Decatur. Approximately 70 percent of our complaints come from people with disabilities, both elderly and families with children with disabilities. We also serve a large concentration of veterans in the Huntsville, Decatur, and Birmingham communities, many of which suffer from varying disabilities, such as PTSD and mobility issues. Any reduction in services during the government shutdown, such as a lack of access to housing or other needed amenities such as transportation and food, will greatly impact our most vulnerable citizens, resulting in homelessness for some. Due to the government shutdown, we were unable to receive our Fair Housing Initiatives Program (FHIP) voucher for the final payment on our Year-1 grant from HUD and will be unable to receive our FHIP voucher for our start up payment for Year-2. This will result in either closing or reducing services at a time when our clients need us the most. If unable to secure local funding, residents of our entire service area (29) counties will face issues without our services."

Jay Young, Executive Director
Southwest Fair Housing Council
Tucson, Arizona
"The Southwest Fair Housing Council (SWFHC) was established in 1986. We are a non-profit, tax-exempt fair housing organization based in Tucson, Arizona that provides services throughout Arizona. Our HUD PEI and EOI grants expired at the end of June 2025. We received awards for a new PEI and EOI on September 30th but have not been able to start work because of the shutdown. We have not had funding to provide fair housing enforcement services outside of the City of Tucson, Pima County, and the City of Yuma. Our HUD PEI grant funded our statewide fair housing enforcement efforts for over 20 years. We do not currently have funding to provide enforcement services to the Phoenix metro area or the rest of the state's smaller cities, towns, and rural areas. Due to the uncertainty of HUD FHIP funding, we laid off four out of our eight staff members at the end of June. Three out of the four staff members had been with SWFHC for three to four years and had received extensive fair housing training."

Ian Wilder, Executive Director
Long Island Housing Services, Inc.
Bohemia, New York
"The Long Island Housing Services, Inc., a fair housing and housing counseling nonprofit, is located in Bohemia, New York, and serves Suffolk and Nassau counties. We serve any resident of Long Island facing housing insecurity, including low-income tenants, homeowners facing foreclosure, people facing homelessness, and people being denied housing due to housing discrimination. Our programs advocate for Long Islanders using all legal means available including government programs that ensure that the law is being followed. The government shutdown is impacting our clients by denying them the enforcement of laws passed by Congress. For example, a housing counseling client had an open

escalation to HUD National Servicing Center with an FHA mortgage. We're urgently trying to stop a foreclosure sale because we have documented that the servicer dual-tracked the foreclosure by moving forward with the foreclosure while claiming to process our client for a loan modification. The bank never completed a proper loss mitigation review and moved to take the home through foreclosure. In the past, HUD would stop the sale until the client has had the legally required review of their loan modification application. The government shutdown prevented that from happening and the client needlessly and improperly lost their home."

DeAnna Eason, Executive Director
Housing Opportunities Made Equal, Inc. (HOME)
Buffalo, New York – Serving 8 counties of Western New York
"HOME investigates allegations of housing discrimination and provides landlord/tenant counseling, fair housing education and outreach, mobility services for housing choice voucher holders, trainings for homeowners, renters, buyers, and real estate professionals, as well as technical assistance to government officials and community-based organizations with fair housing inquiries. We serve all communities. The government shutdown has intensified existing barriers for our communities, especially those already impacted by previous federal office closures and staff reductions. Many individuals who filed discrimination complaints with HUD months ago remain without updates, and the current shutdown has only deepened this backlog. Vulnerable groups, including people with disabilities, families with children, and low-income renters, are left feeling frustrated and fearful as their cases go unresolved. Our organization continues to provide intake, investigation, and fair housing education, but our ability to connect clients with federal enforcement is severely limited. HUD is almost unavailable as a referral option, leaving many clients in limbo and undermining confidence in the fair housing process. Families relying on Housing Choice Vouchers are increasingly worried about funding cuts and the risk of losing their homes. At this time, HUD is not a useful resource for enforcing the Fair Housing Act, which further restricts our ability to protect those we serve."

Marlene Zarfes, Executive Director
Westchester Residential Opportunities, Inc. (WRO)
White Plains, New York
"My name is Marlene Zarfes and I am the Executive Director of Westchester Residential Opportunities, Inc. (WRO), a non-profit located in White Plains, in Westchester County, NY and serving clients in Westchester County and the lower Hudson Valley. Our services include fair housing, mortgage default counseling, independent living case management and housing, eviction prevention, first-time homebuying and affordable marketing services. We have a diverse clientele of people with low and low-to-moderate income including all ages, all races, people with disabilities, families with children, and senior citizens. As a result of the shutdown, we currently have no federal funding to investigate, uncover and enforce fair housing laws. This is particularly harmful to people with disabilities and people using housing vouchers (generally people of color) who often face housing discrimination. We have already expended all of our annual funding for eviction prevention so there will be an increase in homelessness. Federal layoffs will only add to the homelessness crisis. Clients come to us seeking various forms of relief including rental assistance, shelters and food pantries. We've seen a noticeable increase in people looking for food pantries and shelters since the shutdown. Food pantries are struggling to keep up with the demand and, if the shutdown reduces SNAP, we will see clients unable to feed their families."

Michelle Rydz, Executive Director
High Plains Fair Housing Center
Grand Forks, North Dakota
“High Plains Fair Housing Center is the only full-service fair housing organization serving North Dakota and South Dakota. Since opening our doors in 2016, we have worked to eliminate housing discrimination and ensure equal housing opportunities for all people through education, advocacy, enforcement, and outreach. From our base in Grand Forks and satellite offices in Fargo and Bismarck, we respond to housing concerns and provide critical support to underserved rural communities as well as urban areas. Seeing a gap in fair housing services across South Dakota, we expanded into the state in late 2024 to make sure that residents there, too, have access to the protections promised under federal law. Each year, High Plains receives more than 1,000 calls from individuals and families facing housing challenges. The majority of our clients are people with disabilities, and because of the large number of military bases in our region, many of the people we serve are veterans. Families with children also make up a significant number of the discrimination cases we see, as housing providers too often impose unlawful restrictions or barriers.

“Our staff works to resolve these issues, mediating disputes between housing providers and residents and finding equitable solutions so people can stay stably housed without resorting to lengthy administrative or legal complaints. These mediation and advocacy services continue despite the current government shutdown. But when mediation breaks down, and a case must be filed formally, our clients’ rights are now being left unprotected. One of our clients is a young woman who was struck by a drunk driver and now uses a wheelchair. She lives in a federally-subsidized building, where her requests for reasonable accommodations— such as accessibility modifications that would allow her to remain in her home— have been ignored. Under normal circumstances, her case would be actively investigated. Instead, because of the shutdown, she is left waiting, vulnerable, and unable to secure the reasonable accommodations to which she is entitled under the law.

“If the government shutdown persists, people experiencing housing discrimination will be left without a path to justice. Fair housing laws exist to ensure that no one is denied the right to live in safe, stable housing because of who they are—but laws are only as strong as their enforcement. Every day of delay compounds the harm. For people with disabilities, for veterans returning home, for families raising children, this shutdown is not simply a matter of political stalemate. It abandons people at their most vulnerable moments and allows discrimination to go unchecked. Justice delayed is justice denied, and the real cost of this shutdown is measured in the lives of those left unprotected.”

Patricia Kidd, Esq.
Executive Director, Fair Housing Resource Center, Inc. (FHRC)
Painesville, Ohio – Serving Lake, Geauga, Ashtabula, and Trumbull Counties
"As the Executive Director of FHRC, a qualified Fair Housing organization and HUD-Certified Housing Counseling agency, I see first-hand how the government shutdown is threatening to deepen the housing crisis in our community. FHRC primarily serves low-income families, seniors, veterans, individuals with disabilities, and victims of domestic violence—people already at heightened risk of housing instability and discrimination. The shutdown is directly harming the communities we serve by cutting off access to critical protections and resources at a time when families are struggling to remain housed. Tenants experiencing illegal evictions or discrimination now face longer delays in receiving help, and families seeking stable housing free from bias are left without timely assistance. Fear and uncertainty are

widespread, as many residents are unsure how housing benefits and other supportive services will continue without interruption.

“For FHRC, the shutdown is disrupting our ability to operate effectively. While our Year-2 FHIP enforcement grant remains active, HUD’s delay in announcing the start date of newly awarded grants has created serious uncertainty. Our HUD-certified Housing Counseling grant expired on September 30th with no word on renewal, forcing us to close our Landlord-Tenant Hotline after 20 years of continuous operation. This hotline has been a trusted lifeline for thousands of households navigating evictions, unsafe housing conditions, and landlord-tenant disputes. FHRC has also had to suspend foreclosure prevention counseling, leaving families at risk of losing their homes without vital assistance. Without swift resolution and restored funding, FHRC and other local fair housing organizations will be unable to provide the essential protections families need to secure housing free from discrimination and remain in safe, stable homes."

Vincent B. Curry,
Executive Director, Fair Housing Advocates Association
Akron, Ohio - Serving various communities throughout Northeast, Central, and Southern Ohio
“The Fair Housing Advocates Association (FHAA) is a private nonprofit located in Akron, Ohio and serving various communities throughout Northeast, Central, and Southern Ohio. While our services are available to all, the majority of people that we serve are persons with disabilities, single mothers with children, veterans, many of whom are homeless or under the threat of being homeless, and women who are victims of domestic violence.

“In the Akron, Summit County, Ohio community, the shutdown will have the following impact:

- “Stopping Citizens from Receiving Vital Housing Assistance due to Agency Budgetary Constraints. Many of our local agencies like FHAA that provide housing counseling, housing referrals, etc. to people who are homeless, being subjected to discrimination, etc. will no longer be able to do so because the funding that they receive from the federal government to operate will not be available during the shutdown. For example, many victims of discrimination find much needed relief and direction when provided assistance by private non-profit organizations. Without support from these agencies, they will lack the necessary guidance and resources to proceed effectively and fight the discrimination they are subjected to. Housing discrimination damages communities and goes against the values and policy of the United States.

- “Exacerbating the Homelessness Crisis. Homelessness is an ongoing problem in our community, and the shutdown is only going to further exacerbate it. Our local agencies provide funding to help provide housing and shelter to hundreds of homeless people. These people will no longer receive this assistance because funds will not be available during the shutdown. One of our local agencies, which provides housing to homeless young people has indicated that it will no longer be able to provide rental assistance.”

Adria Buchanan, Executive Director
The Fair Housing Center of Washington
Tacoma, Washington – Serving 23 counties in Washington State
"The Fair Housing Center of Washington serves 23 counties, helping individuals with disabilities, seniors, families with children, survivors of domestic violence, and others facing housing discrimination. For years, HUD was our partner in this work — issuing guidance, investigating cases, and supporting efforts to expand housing opportunity. But today, HUD is nowhere to be found. They've literally left the building. In their absence, discrimination has become the most reliable worker in housing — a tireless, unpaid employee who never takes a day off, eats the lunch of the fired staff, and roams the halls while Congress sleeps. Those of us who believe in a world free from discrimination must outwork it, so that the woman waiting a year for justice and the 95-year-old senior enduring harassment can finally live in peace. Because where people remain perpetually committed to justice, discrimination cannot thrive."

Marley Hochendoner, Executive Director
Northwest Fair Housing Alliance
Spokane, Washington – Serving 17 counties in Eastern and Central Washington State
"Northwest Fair Housing Alliance (NWFHA) is a 501(c)(3) non-profit based in Spokane, WA, serving 17 counties in Eastern and Central Washington State. Our mission is to support and promote equitable housing opportunities, eliminate housing discrimination, and ensure affordable and accessible housing in Washington State by providing education, outreach, counseling, research, advocacy, and consulting services about housing transactions, programs, and community development. Annually, thousands of households rely on NWFHA for fair housing advocacy and counseling, including pre-eviction support and challenges related to housing instability, inaccessibility, and unsafe living conditions. Most of the households we serve live below the poverty line and include senior citizens, families with children, veterans, and people with physical or mental disabilities. 75 percent of our fair housing cases involve assisting people with disabilities to request reasonable accommodation or modifications so they can access, maintain, or stabilize their housing. The government shutdown couldn't come at a worse time, in the middle of an affordable housing crisis. NWFHA has a HUD FY23 FHIP grant but there are no HUD FHEO staff working to approve developed materials or grant payments or conduct intake and investigation of housing discrimination complaints. The recent layoffs of more HUD FHEO staff are alarming – employees in Region X were already also working in Region IX to cover staffing shortages. After months of delay and reissuance of the FY24 FHIP NOFO, NWFHA was awarded a FY24 FHIP grant on the last day before the shutdown; but there are no HUD staff working to negotiate the grant agreement, delaying the start of needed services in our communities. HUD has not yet issued a FY25 FHIP NOFO; and so far, there is no FY26 HUD FHIP appropriation. The uncertainty of funding is demoralizing and distracting for our staff who need to be focused on helping people in need of securing housing. Our ability to share information with the public about how to avoid, identify, and report housing discrimination has also been hampered by HUD's ambiguous cease and desists notices relating to materials developed with HUD funds that include HUD's logo or name. Lack of clarity regarding use of existing materials, the absence of HUD staff to approve new materials, and the recent withdrawal of numerous HUD guidance documents has left us with nearly nothing to share with housing providers, local governments, and social service agencies that look to us for information on fair housing compliance. This is the first time in NWFHA's 30 years of existence that NWFHA has faced such prolonged uncertainty about whether HUD will fulfill its fair housing obligations in our communities."

Appendix B – Administration Actions Worsening the Fair and Affordable Housing Crisis

The Trump-Vance administration has engaged in a series of actions that are only worsening the fair[40] and affordable[41] housing crisis. Many of these actions are based on the Project 2025 plan authored by The Heritage Foundation. At this point, the Trump-Vance administration has implemented about 68 percent of Project 2025's housing actions. The actions turn the basic definition of fairness and civil rights upside down to protect the powerful and undermine those merely seeking a fair opportunity to achieve the American Dream of a safe, stable place to call home.[42] Generally, these harmful actions fall into the following five categories:

1. **Increasing housing costs for the average renter, buyer, or homeowner**
2. **Rolling back established housing rights for people of all backgrounds**
3. **Ignoring the threat to local communities from climate change**
4. **Eviscerating key agencies that provide people with access to fair and affordable housing**
5. **Jeopardizing people's data privacy and protection from unfair algorithms**

Following is a more detailed list of the administration's actions that are worsening the fair and affordable housing crisis. The Project 2025 page number that corresponds to the action is shown in [brackets].

1-Increasing housing costs for the average renter, buyer, or homeowner

- Tariffs. The administration increased the cost of housing supplies during the nation's fair and affordable housing crisis by imposing tariffs.[43] (first started on 2/13/2025)

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[40] NFHA, *2024 Fair Housing Trends Report* (July 2024), https://nationalfairhousing.org/resource/2024-fair-housing-trends-report/.

[41] Harvard Joint Center on Housing Studies, *The State of the Nation's Housing 2025* (June 2025), https://www.jchs.harvard.edu/state-nations-housing-2025.

[42] For more detail on how the administration's actions are hurting the renters and homeowners of America and practical solutions to address the fair and affordable housing crisis, *see* Testimony of Nikitra Bailey, EVP of NFHA, in a Hearing Titled, *Building Our Future: Increasing Housing Supply in America*, before the U.S. House Financial Services Subcommittee on Housing and Insurance (March 4, 2025), https://docs.house.gov/meetings/BA/BA04/20250304/117970/HHRG-119-BA04-Wstate-BaileyN-20250304.pdf. *See also* NFHA Press Release, *Fair Housing Months Begins Amid National Assault on Fair Housing* (April 3, 2025), *https://nationalfairhousing.org/fair-housing-month-begins-amid-national-assault-on-fair-housing/*.

[43] Robert Dietz, *Builder Sentiment at Third Lowest Reading Since 2012,* National Association of Home Builders (June 17, 2025), *https://eyeonhousing.org/2025/06/builder-sentiment-at-third-lowest-reading-since-2012;* Keith Griffith, *Trump's Tariffs Are Expected to Raise New-Home Costs $9,200*, Realtor.com (April 4, 2025), https://www.realtor.com/news/trends/trump-tariffs-new-home-prices-homebuilders/; Erica York, *Trump Tariffs: Tracking the Economic Impact of the Trump Trade War*, Tax Foundation.org (Feb. 13, 2025), https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/. *See also* Testimony of Buddy

- Immigrant Labor. The administration decreased the availability of labor by attacking, detaining, and deporting immigrants who perform much-needed housing construction and engage in other housing-related professions.[44] (first started on 1/20/2025) Immigrants make up one-third of the construction trades workforce and home builders are already facing an acute shortage.[45]
- Infrastructure Projects. The administration delayed projects that improve communities by pausing the disbursement of funds appropriated through the Inflation Reduction Act or the Infrastructure Investment and Jobs Act.[46] (1/20/2025)
- Performative Actions. The administration engaged in performative actions that will not lower costs, such as ordering agencies to deliver emergency housing price relief (without any authorization or funds to do so).[47] (1/20/2025)
- Tenant Protections. In its capacity as conservator, the Federal Housing Finance Agency (FHFA) issued an order rescinding a Directive titled, "Aligned Policies on Multifamily Rental Payment Flexibility and Lease Notices," which required Fannie Mae and Freddie Mac to include certain tenant protections, such as rental payment flexibility and lease notices, as a condition of new multifamily financing.[48] (3/24/2025)
- Consumer Protection. In its capacity as conservator, FHFA issued an order rescinding guidance titled, "Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance," which had articulated FHFA's expectations for the GSEs' and the FHLBanks' compliance with Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices (UDAP).[49] (3/24/2025) FHFA fired the UDAP examiners, which means that the regulator will no longer supervise Fannie Mae

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Hughes on Behalf of the National Association of Home Builders (NAHB Testimony), in a Hearing Titled, *Building Our Future: Increasing Housing Supply in America*, before the U.S. House Financial Services Subcommittee on Housing and Insurance (March 4, 2025), https://docs.house.gov/meetings/BA/BA04/20250304/117970/HHRG-119-BA04-Wstate-HughesB-20250304.pdf (stating that supply chain instability and tariffs on imported materials continue to create uncertainty for builders).

[44] *See, e.g.,* Trump Administration, *Protecting the American People Against Invasion* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/protecting-the-american-people-against-invasion/.

[45] National Association of Home Builders, *Concentration of Immigration in Construction Trades*, https://www.nahb.org/advocacy/industry-issues/labor-and-employment/immigration-reform-is-key-to-building-a-skilled-workforce/concentration-of-immigration-in-construction-trades.

[46] Trump Administration, *Unleashing American Energy* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/.

[47] Trump Administration, *Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/.

[48] FHFA, *Order Rescinding Directive on Multifamily Lease Policies*, Order Nos. 2025-OR-FNMA-13, 2025-OR-FHLMC-13 (March 24, 2025), https://x.com/pulte/status/1904282014582264283.

[49] FHFA, *Order Rescinding Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance,* Order Nos. 2025-OR-FNMA-2, 2025-OR-FHLMC-2, 2025-OR-B-2 (March 24, 2025), https://x.com/pulte/status/1904283306603982858.

and Freddie Mac for compliance with the UDAP law.[50] Each of the federal financial regulators has long supervised its regulated entities for compliance with UDAP, so this makes FHFA an outlier among the regulators and leaves everyday consumers without basic consumer protections.[51]

- GSE Privatization and Increased Lending Costs. Administration officials have discussed privatizing Fannie Mae and Freddie Mac, allowing them to exit conservatorship, and/or selling off stock in Fannie Mae and Freddie Mac.[52] Experts predict that privatization is likely to cause interest rates to rise and rate-lock agreements to evaporate as the explicit government backstop is rolled back, driving up housing costs for middle-class families.[53] [706]
- Foreclosure Protections for Veterans. The U.S. Department of Veterans Affairs (VA) discontinued the Veterans Affairs Servicing Purchase (VASP) program, the only VA mortgage assistance option that currently helps the vast majority of borrowers obtain an affordable payment when they are delinquent on their mortgage.[54] (4/23/2025) This action dramatically increases the risk of foreclosure for tens of thousands of veterans and their families.
- Medical Debt on Credit Reports. As of June 2023, 15 million people had more than $49 billion in outstanding medical debt on their credit reports.[55] The 15 million Americans disproportionately live in the South and low-income communities. Unlike other forms of debt, medical debt has little predictive value for a consumer's ability to repay their other financial debts. In January 2025, the CFPB issued a rule prohibiting the inclusion of medical bills on credit reports and requiring credit reporting companies to remove

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[50] Eric Katz, *Housing Agencies Begin Closing Offices, Escorting Employees Out*, Government Executive (March 19, 2025), https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/.

[51] *See, e.g.,* Board of Governors of the Federal Reserve and Federal Deposit Insurance Corporation, *Unfair or Deceptive Acts or Practices by State-Chartered Banks* (March 11, 2004), https://www.federalreserve.gov/boarddocs/press/bcreg/2004/20040311/attachment.pdf.

[52] Sylvan Lane, *Fannie, Freddie Chief Teases IPO*, The Hill (Oct. 20, 2025), https://thehill.com/newsletters/business-economy/5564325-fannie-freddie-chief-teases-ipo/.

[53] Erik J. Martin, Mortgages Under Trump: What Happens if He Privatizes Fannie Mae and Freddie Mac?, U.S. News, (May 22, 2025), https://money.usnews.com/loans/mortgages/articles/mortgages-under-trump-what-happensif-he-privatizes-fannie-mae-and-freddie-mac; Ronda Kaysen, What Will It Mean for Homebuyers If Fannie Mae and Freddie Mac Go Private, N.Y. Times (April 2, 2025), https://www.nytimes.com/2025/03/26/realestate/fannie-mae-freddie-mac-loans-pulte.html.

[54] VA, *Veterans Affairs Servicing Purchase (VASP) Program Wind Down*, Circular 26-25-2 (4/23/2025), https://www.benefits.va.gov/HOMELOANS/documents/circulars/26-25-02.pdf; NFHA Press Release, *Advocates, Members of House Committee on Veterans Affairs Respond to Housing Cuts for Veterans,* https://nationalfairhousing.org/advocates-members-of-house-committee-on-veterans-affairs-respond-to-housing-cuts-for-veterans/.

[55] CFPB, *CFPB Finds 15 Million Americans Have Medical Bills on Their Credit Reports* (Apr. 29, 2024), https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-15-million-americans-have-medical-bills-on-their-credit-reports/#:~:text=As%20of%20June%202023%2C%20about,below%203%25%20in%20June%202023.

medical bills and information from credit reports, as originally mandated by law.[56] In April 2025, the CFPB and two industry associations filed a joint motion in federal district court to vacate the rule, which the court granted.[57] (7/15/2025) After several states issued laws banning the reporting of medical debt on credit reports, the CFPB issued an interpretive rule stating that the Fair Credit Reporting Act preempts those laws.[58] (10/28/2025)

- GSE Affordable Housing Goals. Congress passed the Affordable Housing Goals in the 1992 Safety and Soundness Act, and updated them in the 2008 Housing and Economic Recovery Act, as a key tool to keep Fannie Mae and Freddie Mac focused on their public mission. In October 2025, FHFA issued proposed rule changing the Affordable Housing Goals for single family housing in a manner that will take away affordable mortgages for up to 177,000 lower- to moderate-income families over the next three years, worsening the housing affordability crisis and fueling deeper racial and socioeconomic inequalities in who can access credit and become a first-time homeowner.[59] (10/2/2025)
- Community Development Financial Institutions (CDFIs). The administration used illegal Reduction-In-Force procedures during the shutdown to terminate all of the Treasury Department's CDFI Fund staff. (10/10/2025) The CDFI Fund and the community financial institutions they serve are an essential and vital source of capital and financial services to underserved communities across the United States that traditional financial institutions historically don't serve as well, including in urban and rural communities.[60]
- Housing Counselors. In the past, HUD has funded, certified, and trained over 4,200 housing counselors who offer expert, confidential advice that is usually free or very low cost, to help consumers rebuild their credit or become more financially stable, prevent homelessness, avoid eviction or foreclosure, recover from disasters, or prepare for homeownership.[61] In October 2025, the administration ordered the layoffs of *all but one*

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[56] CFPB, *CFPB Finalizes Rule to Remove Medical Bills from Credit Reports* (1/7/2025), https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/.

[57] Ken Alltucker, *Medical Debt Remains on Credit Reports after Biden-Era Rule Tossed by Judge*, USAToday (July 15, 2025), https://www.usatoday.com/story/money/2025/07/15/biden-medical-debt-rule-tossed-trump/85205733007/.

[58] *CFPB: Federal Law Preempts State Law on Credit Reporting,* ABA Banking Law Journal (Oct. 28, 2025), https://bankingjournal.aba.com/2025/10/cfpb-federal-law-preempts-state-law-on-credit-reporting/.

[59] FHFA, *Proposed Rule: 2026-2028 Affordable Housing Goals* (Oct. 2, 2025), https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals.

[60] House Financial Services Committee Democrats, *Letter to Treasury and Office of Management and Budget regarding CDFI Fund Staff* (Oct. 27, 2025), https://democrats-financialservices.house.gov/uploadedfiles/10.27.2025_ltr_bandv_cdfi_rifs.pdf.

[61] Sharon Cornelissen, *Frontline Workers in a Housing Crisis: The Administration's Attacks on HUD Housing Counselors*, Consumer Federation of America Blog (Oct. 24, 2025), https://consumerfed.org/frontline-workers-in-a-housing-crisis-the-administrations-attacks-on-hud-housing-counselors/.

person (the statutorily mandated Director) in HUD's housing counseling program.[62](10/2025)

- Public Housing Limits. HUD has drafted rules to allow local housing authorities and landlords to impose time limits and work requirements for tenants under any of the four following programs: public housing, House Choice Vouchers, Project-Based Vouchers, and Project-Based Rental Assistance.[63] (9/2025) This action would weaken the social safety net amid record-high housing costs, causing hardship for millions of people across the country.

2-Rolling back established housing rights for people of all backgrounds

Rolling back established housing rights for people of color, women, people with disabilities, domestic violence survivors, & others

- Diversity, Equity, Inclusion, Accessibility. The administration attacked basic civil rights protections under the guise of terminating "'diversity, equity, inclusion, and accessibility' (DEIA) mandates, policies, programs, preferences, [positions], and activities in the Federal Government" while also erasing the existence of transgender people.[64] (1/20/2025) These actions will undermine housing and credit opportunities for the consumers of America. [561-562, 584, 586]
- Fair Housing Grants. Created in 1987 under the Reagan Administration and funded by Congress annually ever since, the Fair Housing Initiatives Program (FHIP) is a grant program that provides localized assistance to people who face housing and lending discrimination. Organizations receiving FHIP grants field and resolve over 75 percent of fair housing complaints—about three times as many as all state and federal agencies combined—and they are also the primary means by which the federal government educates the public about their fair housing rights and responsibilities. In February 2025, HUD abruptly terminated 78 grant contracts, adversely impacting these agencies' ability

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[62] Janie Har, *Judge Temporarily Blocks the Trump Administration from Firing Workers during the Government Shutdown,* Associated Press (Oct. 15, 2025), https://apnews.com/article/government-shutdown-layoffs-trump-unions-b312b3ca77cbdbc72e778ece3b2cbffc.

[63] Jesse Coburn, *Millions Could Lose Housing Aid under Trump Plan*, ProPublica (Sept. 29, 2025), https://www.propublica.org/article/trump-housing-reforms-aid-hud-immigration-homelessness.

[64] Trump Administration*, Ending Radical and Wasteful DEI Programs and Preferencing* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/; NFHA*, Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/; NFHA, *Elimination of Federal Diversity, Equity, and Inclusion Programs Threatens Economic Stability and National Security* (Jan. 22, 2025), https://nationalfairhousing.org/elimination-of-federal-diversity-equity-and-inclusion-programs-threatens-economic-stability-and-national-security/; NFHA, *Civil and Human Rights Organizations Continue to Fight against Trump Administration's Anti-Equity and Transgender Erasure Executive Orders Despite Denial of Preliminary Injunction* (May 5, 2025), https://nationalfairhousing.org/civil-and-human-rights-organizations-continue-to-fight-against-trump-administrations-anti-equity-and-transgender-erasure-executive-orders-despite-denial-of-preliminary-injunction/.

to provide essential assistance to vulnerable populations, reinstating them a month later only after being sued.[65] (2/27/2025) Then HUD delayed awarding new grants and allowing existing grants to continue into the next year, continuing the funding crisis it inflicted on the nation's local fair housing organizations. After being sued again, HUD finally planned to announce a new round of grant funding to fair housing organizations on September 30, 2025, the last day of the fiscal year.[66] (9/30/2025) But because of HUD's unjustifiable delay in awarding the grants, HUD had no time to do the paperwork to start the grants before the government shut down in October, preventing fair housing organizations from beginning work. That means community-based fair housing groups cannot provide assistance to families fleeing domestic violence, disabled veterans looking for permanent housing, first-generation, first-time homebuyers seeking fair and affordable mortgages, and others who are protected from discrimination by the nation's fair housing laws. The future of these grants remains unclear. By eviscerating the federal agencies that oversee fair housing as well as jeopardizing the funding for community-based fair housing organization, the administration has decimated the promise of fair housing opportunities for all.[67]

- HUD Complaint Portal. Under the Fair Housing Act, HUD is required to provide a means for the members of the public to submit complaints of housing discrimination for administrative investigation and adjudication.[68] However, HUD will now only accept housing discrimination complaints submitted through its online portal.[69] Complaints will no longer be accepted via email, mail, telephone, or in-person submissions. Additionally, regional hotlines, intake numbers (available in both English and Spanish), and email addresses previously used for filing complaints have been discontinued. (3/15/2025) These changes are likely to severely impede the ability of people with disabilities, people with limited English proficiency, and people with limited internet access to secure their right to fair housing.

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[65] Rachel Siegel, *HUD Cuts Might Hamper Government Efforts to Stop Housing Discrimination*, Washington Post (April 6, 2025), https://www.washingtonpost.com/business/2025/04/06/fair-housing-enforcement-hud-cuts/; Jennifer Ludden, *HUD Choked Funding to Enforce Fair Housing Laws. Legal Aid Groups May Not Survive,* NPR (March 15, 2025), https://www.npr.org/2025/03/15/nx-s1-5325936/hud-funding-fair-housing-laws-legal-aid-groups-scott-turner.

[66] NFHA,*The Federal Government Shutdown Exacerbates Harm of HUD's Dismantling of Its Fair Housing Infrastructure* (Sept. 30, 2025), https://nationalfairhousing.org/the-federal-government-shutdown-exacerbates-harm-of-huds-dismantling-of-its-fair-housing-infrastructure/; NFHA, *Federal Judge Grants Temporary Restraining Order in Lawsuit against HUD for Withholding Fair Housing Funds* (July 29, 2025), https://nationalfairhousing.org/federal-judge-grants-temporary-restraining-order-in-lawsuit-against-hud-for-withholding-fair-housing-funds/.

[67] NFHA, *NFHA Denounces Trump Administration's Firing of Hundreds of HUD Employees during Government Shutdown* (Oct. 14, 2025), https://nationalfairhousing.org/nfha-denounces-trump-administrations-firing-of-hundreds-of-hud-employees-during-government-shutdown/.

[68] 42 U.S.C. § 3610.

[69] Jesse Coburn, *How the Trump Administration Is Weakening the Enforcement of Fair Housing Laws*, ProPublica (May 15, 2025), https://www.propublica.org/article/trump-hud-weakening-enforcement-fair-housing-laws.

- Affirmatively Furthering Fair Housing. The Fair Housing Act requires all federal agencies to administer their housing and urban development programs in a manner affirmatively to further fair housing (AFFH).[70] However, in March 2025, HUD issued a watered-down Interim Final Rule, which weakens the AFFH mandate and removes key tools from states and localities, despite many of them requesting HUD's guidance.[71] HUD Secretary Scott Turner stated, "We have to save our suburbs….We are taking the [AFFH Rule] down today so that we could restore our suburbs."[72] The Secretary's remarks seemed to harken back to a time of rigid residential segregation when all-White suburbs held the highest value regardless of the creditworthiness of the borrower or the condition of the home. The remarks also disregard the growing problem that the lack of affordable housing supply is causing in rural communities nationwide.
- Federal Lands. HUD and the Department of Interior created a Joint Task Force on Federal Land for Housing to identify federal lands for affordable housing.[73] (3/17/2025) HUD rescinded meaningful regulations to affirmatively further fair housing, so there is no framework to ensure that the affordable housing developments will be part of inclusive, thriving communities with good jobs, schools, and transportation or will further isolate the people who need access to affordable housing. [508]
- Appraisal Modernization. In May of 2024, Fannie Mae, Freddie Mac, and HUD's FHA published requirements for a consumer-initiated Reconsideration of Value (ROV) that promotes consistency for all consumers when a perceived appraisal issue and/or appraisal deficiency exists, including potential appraisal discrimination.[74] In March 2025, HUD's FHA rescinded its policies that clarified the application of the Fair Housing Act to appraisal discrimination and established standards for FHA lenders to follow in connection with a consumer's request Reconsideration of Value (ROV).[75] (3/19/2025) In September 2025, HUD withdrew guidance providing support for the Fair Housing Act's coverage of appraisal discrimination.[76] (9/16/2025) [558] This will make it harder for consumers to fairly access the full equity of their homes. [508]

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[70] 42 U.S.C. § 3608(d).
[71] HUD, Interim Final Rule, *Affirmatively Furthering Fair Housing Revisions*, 90 Fed. Reg. 11020 (March 3, 2025), https://www.federalregister.gov/documents/2025/03/03/2025-03360/affirmatively-furthering-fair-housing-revisions;
[72] HUD Secretary Scott Turner, Interview on Fox Business, *Secretary Turner Repeals Biden AFFH 'Zoning Tax'* (Feb. 26, 2025), https://www.youtube.com/watch?v=xzTT9cEM6fY.
[73] HUD, *HUD Secretary Scott Turner and DOI Secretary Doug Burgum Announce Joint Task Force to Use Federal Lands for Affordable Housing* (March 17, 2025), https://www.hud.gov/news/hud-no-25-042.
[74] Fannie Mae Selling Guide Announcement, SEL-2024-03 (May 1, 2024), https://singlefamily.fanniemae.com/media/39081/display; Freddie Mac Single Family Bulletin, 2024-06 (May 1, 2024), https://guide.freddiemac.com/ci/okcsFattach/get/1009248_7.
[75] HUD, *Rescinding Multiple Appraisal Policy Related Mortgagee Letters,* Mortgagee Letter 2025-08 (March 19, 2025), https://www.hud.gov/sites/default/files/OCHCO/documents/2025-08hsgml.pdf.
[76] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-

- Special Purpose Credit Programs (SPCP)/Down Payment Assistance. In its capacity as conservator, FHFA issued an order requiring Fannie Mae and Freddie Mac to "terminate SPCP Programs supported by the Enterprises."[77] (3/25/2025) SPCP's are authorized by law under the Equal Credit Opportunity Act and Regulation B.[78] This order does not (and cannot) ban lenders' ability to originate SPCPs but will severely restrict liquidity for SPCPs, which typically overcome historic barriers to homeownership by providing down payment assistance and flexible underwriting for certain underserved geographic areas. In September 2025, HUD withdrew guidance providing support for SPCPs under the Fair Housing Act.[79] (9/17/2025) In November 2025, the CFPB issued a proposed rule that would make it nearly impossible for lenders to issue SPCPs.[80] (11/13/2025) [558]
- Fannie Mae/Freddie Mac Equitable Housing Finance Plans. FHFA finalized the regulation for the Equitable Housing Finance Plans in 2024.[81] However, in March 2025, in its regulatory capacity, FHFA issued a regulatory waiver of the requirements for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (GSEs) to submit and publish Equitable Housing Finance Plans.[82] (3/25/2025) The waiver does not require the GSEs to stop any of the initiatives started in connection with the Plans (e.g., appraisal modernization), except for SPCPs, but severely restricts the transparency and accountability needed for the public to determine whether the GSE's are fulfilling their statutory mandate to serve the whole of the housing market. In July 2025, FHFA issued a Proposed Rule to repeal the regulation regarding fair lending and equitable housing finance plans.[83] (7/28/2025) [561-562]
- REO Repairs. In its capacity as conservator, FHFA issued an order requiring Fannie Mae to end its "Repair All" strategy for its REO inventory and to return to a portfolio neutral

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guidance/. Withdrawn guidance includes: *Statement of Interest: Connolly v. Lanham* (March 13, 2023); *Appraisal Elements of Proof* (May 6, 2022).

[77] FHFA, *Order Issuing Directive to Terminate Special Purpose Credit Programs,* Decision No. 2025-145 (March 25, 2025), https://x.com/pulte/status/1904621959213965690?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet.

[78] 15 U.S.C. § 169(c); 12 C.F.R. § 1002.8. *See also* National Fair Housing Alliance and Mortgage Bankers Association, *Special Purpose Credit Programs Toolkit*, https://spcptoolkit.com/.

[79] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/.

[80] CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf.

[81] 12 C.F.R. Part 1293.

[82] FHFA, *Regulatory Waiver of Enterprise Equitable Housing Finance Planning Requirements*, 2025-W-4 (March 25, 2025), https://x.com/pulte/status/1904633180604481753.

[83] FHFA, *Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule*, 90 Fed. Reg. 35475 (July 28, 2025), https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf.

approach.[84] (3/25/2025) This raises questions about whether Fannie Mae will repair homes in communities of color or create blight and drive down prices in certain communities.

- Redlining. This administration has repeatedly sent the message that it will no longer protect communities who are unfairly denied access to credit on the basis of race or ethnicity. In March 2025, the CFPB joined with a defendant (Townstone Financial) to ask a federal court to vacate the agency's own settlement that resolved allegations of redlining in Chicago and refund the civil penalty to the defendant; the case had been upheld by the Seventh Circuit.[85] (3/26/2025) The federal court denied the CFPB's motion.[86] (6/12/2025) In July 2025, another federal court rejected the administration's attempt to terminate a consent order holding a bank accountable for alleged redlining in Philadelphia.[87] (7/24/2025) In September 2025, HUD issued guidance stating that the Fair Housing Act only protects individuals, not groups, and rescinded its guidance on redlining.[88] (9/16/2025) In November 2025, the CFPB issued a proposed rule that would undermine the definition of "discouragement" under the Equal Credit Opportunity Act and make it nearly impossible to bring redlining cases.[89] [558]
- Disparate Impact. In April 2025, the administration issued an Executive Order instructing agencies to disregard the longstanding theory of disparate impact liability,[90] even though

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[84] FHFA, *Order Issuing Directive Terminating "Repair All" REO Strategy*, Decision No. 2025-144 (March 25, 2025), https://x.com/pulte/status/1904621815563215008?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet; NFHA Press Release, *NFHA Reaches Historic Settlement with Fannie Mae* (Feb. 7, 2022), https://nationalfairhousing.org/nfha-reaches-historic-settlement-with-fannie-mae/.

[85] Consumer Federal of America, *By Vacating Townstone, the CFPB Prolongs Its March Madness* (March 28, 2025), https://consumerfed.org/by-vacating-townstone-the-cfpb-prolongs-its-march-madness/.

[86] NFHA, *Judge Rejects Trump Administration's Effort to Abandon Redlining Settlement with Townstone Financial Inc.* (June 12, 2025), https://nationalfairhousing.org/judge-rejects-trump-administrations-efforts-to-abandon-redlining-settlement-with-townstone-financial-inc/; NFHA Press Release, *Civil Rights and Consumer Protection Groups Urge Court to Reject the Trump Administration's Unprecedent Attempt to Abandon Redlining Settlement with Townstone Financial, Inc.* (April 7, 2025), https://nationalfairhousing.org/civil-rights-and-consumer-protection-groups-urge-court-to-reject-the-trump-administrations-unprecedented-attempt-to-abandon-redlining-settlement-with-townstone-financial-inc/.

[87] NFHA, *Holding the DOJ Accountable to Remedy Alleged Redlining in Philadelphia, PA* (July 25, 2025), https://nationalfairhousing.org/holding-the-department-of-justice-accountable-to-remedy-alleged-redlining-in-philadelphia-pa/.

[88] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/.

[89] CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf.

[90] Trump Administration, *Restoring Equality of Opportunity and Meritocracy* (April 23, 2025), https://www.whitehouse.gov/presidential-actions/2025/04/restoring-equality-of-opportunity-and-meritocracy/.

this theory was upheld by the Supreme Court in 2015 and remains the law of the land.[91] (4/23/2025) In July 2025, a press report revealed that HUD was closing at least seven major housing discrimination investigations that relied in whole or in part on the disparate impact theory of discrimination, which requires use of the least discriminatory approach to achieve a business objective.[92] In August 2025, HUD sent to the Office of Management and Budget (OMB) a "Final Rule" entitled "HUD's Implementation of the Fair Housing Act's Disparate Impact Standard," which is likely to substantially weaken the rule.[93] (8/5/2025) HUD has withdrawn guidance regarding the use of disparate impact in Fair Housing Act cases and the use of arrest records in housing decisions where they may have an illegal disparate impact.[94] (9/16/2025) In November 2025, the CFPB issued a proposed rule that would eviscerate the definition of "disparate impact" under the Equal Credit Opportunity Act.[95] [72, 334-336, 583, 558]

- Domestic Violence Survivors. In recent years, HUD has protected survivors of domestic violence from being denied housing assistance when attempting to escape a stalker or abuser. About 500 women a year reach out to HUD to request help under the Violence Against Women Act, but now only two lawyers with experience with the law remain in HUD's fair housing office.[96] (9/2025) In addition, the administration has shuttered the DOJ's grant-making offices, furloughing employees who help provide federal support to organizations that aid victims of domestic violence.[97] (10/2025) The actions will imperil survivors, advocates, and law enforcement.

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[91] *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*, 576 U.S. 519 (2015).

[92] Jesse Coburn, *Trump Administration Prepares to Drop at Least Seven Major Housing Discrimination Cases*, ProPublica (July 18, 2025), https://www.propublica.org/article/trump-hud-drop-housing-discrimination-cases-housing-pollution; NFHA, *Leading Civil Rights Organizations Urge HUD to Uphold Fair Housing Protections Against Disparate Impact Rollbacks* (Aug. 5, 2025), https://nationalfairhousing.org/leading-civil-rights-organizations-urge-hud-to-uphold-fair-housing-protections-against-disparate-impact-rollbacks/.

[93] NFHA, *Advocates Strongly Urge Trump Administration to Uphold Rule That Advances Justice and Fairness for All* (Sept. 11, 2025), https://nationalfairhousing.org/advocates-strongly-urge-trump-administration-to-uphold-rule-that-advances-justice-and-fairness-for-all/.

[94] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/. Withdrawn guidance includes: *Proving Disparate Impact in Fair Housing Cases After Inclusive Communities* (Aug. 1, 2016); *OGC Guidance Application of Fair Housing Act Standards to Use of Criminal Records* (April 4, 2016); *Guidance for PHAs and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions* (Nov. 2, 2015) *Memo – Use of Arrest Records of Tenants of Public and HUD-Assisted Housing* (April 8, 2015).

[95] CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf.

[96] Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws,* NY Times (Sept. 22, 2025), https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html.

[97] Eli Stokol, *DOJ Furloughs Could Impact Domestic Violence Grants, Some Fear,* Politico (Oct. 4, 2025), https://www.politico.com/news/2025/10/04/doj-furloughs-could-impact-domestic-violence-grants-some-fear-thats-the-point-00594256.

- Reasonable Accommodation. HUD withdrew guidance for cases involving reasonable accommodations for people with disabilities.[98] (9/17/2025) [558]

Rolling back established housing rights for LGBTQ+ individuals

- Sexual Orientation/Gender Identity. In January 2025, the administration issued an executive order that purported to terminate LGBTQ+ people's rights by limiting the definition of "sex" to two unchangeable sexes (male and female).[99] (1/20/2025) [451, 584, 586]
- Equal Access Rule. In February 2025, HUD issued an order to halt any pending or future enforcement actions related to HUD's 2016 Equal Access Rule,[100] which ensured equal access to HUD-assisted or HUD-insured housing without regard to actual or perceived sexual orientation, gender identity, or marital status. In the announcement, HUD Secretary Scott Turner stated that this approach "means getting the government out of the way of what the Lord established from the beginning when he created man in His own image."[101] (2/7/2025) HUD also has a proposed rule regarding the Equal Access Rule, which is pending at OMB and which could further erode the housing protections for LGBTQ+ people. [451, 584, 586]
- HUD Cases. HUD now turns away cases that allege housing discrimination on the basis of sexual orientation or gender identity, stating that HUD does not view those cases as covered by the Fair Housing Act.[102] (5/2025) HUD has deprioritized cases based on

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[98] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/. Withdrawn guidance includes: *FHEO Notice 2013-01: Service Animals and Assistance Animals for People with Disabilities in Housing and HUD-funded Programs* (April 25, 2013); *FHEO 2020-01: Assessing a Person's Request to Have an Animal as a Reasonable Accommodation Under the Fair Housing Act* (Jan. 28, 2020).

[99] Trump Administration, *Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government (*Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal-government/; NFHA*, Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/; NFHA, *Elimination of Federal Diversity, Equity, and Inclusion Programs Threatens Economic Stability and National Security* (Jan. 22, 2025), https://nationalfairhousing.org/elimination-of-federal-diversity-equity-and-inclusion-programs-threatens-economic-stability-and-national-security/.

[100] 24 C.F.R. § 5.106.

[101] HUD, *Secretary Scott Turner Halts Enforcement Actions of HUD's Gender Identity Rule* (Feb. 7, 2025), https://www.hud.gov/press/press_releases_media_advisories/hud_no_25_026.

[102] Jesse Coburn, *How the Trump Administration Is Weakening the Enforcement of Fair Housing Laws*, ProPublica (May 15, 2025), https://www.propublica.org/article/trump-hud-weakening-enforcement-fair-housing-laws.

"gender identity," stating that it is a "novel and tenuous" legal theory and has withdrawn related guidance.[103] (9/16/2025) [558]

Rolling back established housing rights for immigrants

- HUD/ICE Collaboration. HUD and the Department of Homeland Security (DHS) entered into a Memorandum of Understanding to collaborate to identify undocumented immigrants who are ineligible for Federal housing assistance and take remedial actions, including referral for immigration enforcement action.[104] (3/24/2025) These and other DHS actions are designed to use agency data to target immigrants and erode their feeling of safety and security in their homes.
- FHA Mortgages for DACA Recipients. HUD eliminated the non-permanent resident category from FHA's Single Family Title I and Title II programs (which applied to DACA, pending asylum, pending refugee status, and H1-B immigrants).[105] (3/26/2025) Although HUD's Press Release framed this action as preventing undocumented immigrants from accessing FHA mortgage benefits, FHA has never allowed undocumented immigrants to access those loans. In fact, the non-permanent resident category was established under HUD Secretary Ben Carson, who was appointed by the Trump Administration.[106] [509]
- USDA Loans for Non-Citizens. USDA rescinded its policy that provided temporary eligibility for non-Citizens with social security numbers and work authorization to apply for its Single Family Housing Guaranteed Loan Program.[107] (3/18/2025) The temporary eligibility was provided in 2022 because the existing categories of eligible immigration statuses did not include some categories of immigrants who were authorized to live and work in the United States. [509]
- Language Access. After the administration issued an executive order designating English as the official language of the United States,[108] HUD announced it would only use

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[103] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/. Withdrawn guidance includes: *Implementation of Executive Order 13988 on the Enforcement of the Fair Housing Act* (Feb. 11, 2021) (implementing EO 13988: Preventing and Combating Discrimination on the Basis of Sexual Orientation and Gender Identity).

[104] HUD, *HUD Secretary Scott Turner, DHS Secretary Kristi Noem Establish Partnership to End Illegal Alien Exploitation of Housing Programs* (March 24, 2025), https://www.hud.gov/press/press_releases_media_advisories/hud_no_25_046.

[105] HUD, *HUD Cracks Down on Government-Backed Mortgages for Illegal Immigrants* (March 26, 2025), https://www.hud.gov/news/hud-no-25-048.

[106] FHA, *Eligibility Requirements for Certain Non-Permanent Resident Borrowers*, Mortgagee Letter 2021-12 (May 28, 2021), https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-12hsgml.pdf

[107] USDA, *Retraction of Non-U.S. Citizen Eligibility* (March 18, 2025), https://content.govdelivery.com/accounts/USDARD/bulletins/3d79381.

[108] White House, *Designating English as the Official Language of the United States* (March 1, 2025), *https://www.whitehouse.gov/presidential-actions/2025/03/designating-english-as-the-official-language-of-the-united-states/*.

English for official communications and withdrew translated materials, including disaster recovery materials, fair housing videos, and HUD leases.[109] (8/19/2025)

- HUD Mixed-Status Rule. Under long-standing HUD regulations, "mixed-status" families (where one or more members of the family are undocumented) are permitted to live in public housing or receive vouchers, but their benefits are prorated so that the ineligible members receive no assistance and the other family members pay a greater share of the rent. HUD has drafted a rule that would make everyone in a mixed-status family ineligible for assistance, unless the undocumented family member moves out.[110] The draft rule would also require U.S. citizens applying for or currently receiving housing assistance to provide documents proving their citizenship, such as birth or naturalization certificates. [509] (9/2025) The rule would affect thousands of families, the majority of whom are families with children.
- HUD Guidance. HUD has withdrawn guidance protecting people who may be denied housing on the basis of immigration status or English-language proficiency.[111] (9/16/2025) [558-559]

3-Ignoring the threat to local communities from climate change

- Green and Resilient Retrofit Program. HUD terminated the $1 billion Green and Resilient Retrofit Program, which would have made HUD-assisted multifamily properties safer from natural disasters.[112] (3/12/2025) Congress had approved the Green and Resilient Retrofit Program in 2022 as part of the Inflation Reduction Act, which included major investments in climate resilience.
- Community Development Block Grant – Disaster Recovery (CDBG-DR). HUD removed requirements that grantees perform fair housing assessments and certify compliance with the Fair Housing Act and other federal civil rights law when administering $12

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[109] Leading Age, *HUD Removes Translated Documents in New English-Only Policy* (Aug. 20, 2025), https://leadingage.org/hud-removes-translated-documents-in-new-english-only-policy/.

[110] Jesse Coburn, *Millions Could Lose Housing Aid under Trump Plan*, ProPublica (Sept. 29, 2025), https://www.propublica.org/article/trump-housing-reforms-aid-hud-immigration-homelessness; National Housing Law Project, *Trump's Cruel Directive to Take Away Federal Funding from Housing Authorities Who Protect Immigrants* (Aug. 28, 2025), *https://www.nhlp.org/press-release/national-housing-law-project-on-trumps-cruel-directive-to-take-away-federal-funding-from-housing-authorities-who-protect-immigrants-we-must-keep-families-whole-and-housed/*.

[111] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/. Withdrawn guidance includes: Immigr*ation Status and Discrimination FAQ* (March 1, 2022); *OGC Guidance Fair Housing Act Protections for LEP Persons* (Sept. 15, 2016); R*8 Legal Opinion – SSN Non-Citizen Legal Memo* (Aug. 15, 2013).

[112] Ashleigh Fields, *Trump Administration Halting $1B Affordable Housing Preservation Program,* The Hill (March 12, 2025), https://thehill.com/homenews/administration/5190958-hud-billion-green-resilient/. National Housing Law Project, *Tenant Advocates Urge Court of Appeals to Protect Tenants, Save Their Homes, and Uphold Preliminary Injunction* (Sept. 30, 2025), https://www.nhlp.org/press-release/tenant-advocates-urge-court-of-appeals-to-protect-tenants-save-their-homes-and-uphold-preliminary-injunction/.

billion in long-term disaster recovery funding.[113] (3/19/2025). CDBG-DR is the only federal long-term disaster recovery program and provides critical funds for housing repair and reconstruction in disaster-impacted communities across the country. These harmful changes undermine policies that were developed with direct input from disaster survivors across the nation and will make it harder for federal recovery resources to reach those most in need.

- Climate-Related Risk Management. In its capacity as conservator, FHFA issued an order rescinding FHFA's previously-issued guidance that required Fannie Mae and Freddie Mac to integrate a climate-related risk management framework into its existing enterprise risk management framework.[114] (3/25/2025) Similarly, the federal financial institution regulators (Board of Governors of the Federal Reserve, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency) announced the withdrawal of interagency Principles for Climate-Related Financial Risk Management for Large Financial Institutions.[115] (10/17/2025) [740]
- Weather Predictions. The administration cut the staff and funding for the National Weather Service and stopped tracking the cost of extreme weather.[116] (7/2025) The cuts to programs, staff, funding, and data have made communities more vulnerable to weather events. [664]

4-Eviscerating key agencies that provide people with access to fair & affordable housing

- HUD Fair Housing Offices. HUD has eviscerated the Office of Fair Housing and Equal Opportunity (FHEO) as well as field staff, making it nearly impossible to enforce the Fair Housing Act and provide fair housing opportunity for all.[117] Administration actions

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[113] HUD, *Waivers and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees* (March 19, 2025), https://www.hud.gov/sites/default/files/CPD/documents/CPDUniversalnotice.pdf; National Low Income Housing Coalition, *Statement on CDBG-DR Universal Notice Modifications* (March 21, 2025), https://nlihc.org/resource/nlihc-statement-cdbg-dr-universal-notice-modifications.

[114] FHFA, *Order Rescinding Advisory Bulletin 2024-01: Climate-Related Risk Management,* 2025-OR-FNMA-4, 2025-OR-FHLMC-4 (March 25, 2025), https://x.com/pulte/status/1904618898537750553?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet.

[115] Federal Reserve, *Agencies Announce Withdrawal of Principles for Climate-Related Financial Risk Management* (Oct. 16, 2025), https://www.federalreserve.gov/newsevents/pressreleases/bcreg20251016a.htm.

[116] Margaret Cooney and Cody Hankerson, Center for American Progress, *The Lasting Threat of Trump's Cuts to NOAA and NWS on American Communities* (July 10, 2025), https://www.americanprogress.org/article/the-lasting-threat-of-trumps-cuts-to-noaa-and-nws-on-american-communities/.

[117] Raymond Fernandez, *Mass Layoffs at HUD's Fair Housing Office Could Cause Enforcement to Grind to a Halt,* NOTUS (Oct. 23, 2025), https://www.notus.org/housing/layoffs-housing-urban-development-fair-housing-office; NFHA, *NFHA Denounces Trump Administration's Firing of Hundreds of HUD Employees during Government Shutdown* (Oct. 14, 2025), https://nationalfairhousing.org/nfha-denounces-trump-

include removing about 65 percent of FHEO staff, closing field offices, firing whistleblowers, firing staff for insubordination for raising questions, imposing gag orders to prevent investigation communications, stripping career officials of authority to approve settlements or issue charges, removing longstanding precedent and guidance, freezing cases, and revoking settlements. [508, 512]

- DOJ Civil Rights Division. DOJ has suspended many of the activities of the Civil Rights Division and reassigned leadership to prosecute officials from sanctuary cities that protect immigrants.[118] (1/31/2025) The guidance for the DOJ Civil Rights Division's Housing and Civil Enforcement section does not mention the Fair Housing Act.[119] (4/2025) As of October 2025, 75 percent of the attorneys in the Civil Rights Division have left or been forced out.[120] (10/2025) [561-562, 569]
- CFPB. The CFPB has suspended the agency's activities and staff, including its ability to fully enforce the Equal Credit Opportunity Act and other consumer protection laws.[121] (2/10/2025) The administration plans to lay off about 90 percent of the CFPB workforce and has stated that the agency is likely to run out of money by the end of 2025.[122] (11/2025) [839]
- Federal Housing Finance Agency. FHFA forced out staff in the following offices: Division of Public Interest Examinations (fair lending, UDAP, and consumer protection), Office of Minority and Women Inclusion, and Division of Research and Statistics, which means there is no one to monitor Fannie Mae's and Freddie Mac's compliance with fair lending laws to serve the whole of the housing market.[123] (3/18/2025) FHFA no longer has an

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administrations-firing-of-hundreds-of-hud-employees-during-government-shutdown/; NFHA, *Civil Rights Coalition Denounces HUD's Abdication of Its Fair Housing Obligations* (Sept. 23, 2025), https://nationalfairhousing.org/civil-rights-coalition-denounces-huds-abdication-of-its-fair-housing-obligations/; Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html.

[118] Chloe Atkins and Daniel Barnes, *Trump Is Reversing the Justice Department's Civil Rights Policies*, NBC News (Jan. 31, 2025), https://www.nbcnews.com/politics/justice-department/trump-reversing-justice-departments-civil-rights-policies-rcna189657.

[119] Sam Levine, *Trump Ally Pushes DOJ Unit to Shift Civil Rights Focus, New Messages Show*, The Guardian (Apr. 18, 2025), https://www.theguardian.com/us-news/2025/apr/18/justice-department-civil-rights-division-trump.

[120] Ryan Lucas, *Trump's Push to Reshape the DOJ's Civil Rights Division Sparks Mass Exodus of Attorneys*, NPR (2025), https://www.npr.org/2025/05/12/nx-s1-5387495/trumps-push-to-reshape-the-dojs-civil-rights-division-sparks-mass-exodus-of-attorneys; The Justice Connection, *Urgent Message from Recent DOj Alumni Decrying Attacks on Justice Department* (Oct. 6, 2025), https://www.thejusticeconnection.org/wp-content/uploads/2025/10/An-Urgent-Message-from-Recent-DOJ-Alum.pdf.

[121] Chris Megerian, *Secrecy Preceded the Shutdown of The Consumer Protection Agency's Washington Headquarters,* AP (Feb. 10, 2025), https://apnews.com/article/cfpb-trump-musk-doge-7a62161f4ed6faf43ec62075b5844e57#:~:text=Vought's%20message%20followed%20one%20on,debts%2C%20compensation%20and%20reduced%20loans.

[122] Michael Stratford, *CFPB's Breaking Point*, Politico (Nov. 4, 2025), https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453.

[123] Eric Katz, *Housing Agencies Begin Closing Offices, Escorting Employees Out*, Government Executive (March 19, 2025), https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/.

internal watchdog as the website for the head of the Office of Inspector General (OIG) is labeled as "vacant."[124] (11/3/2025)

- Fannie Mae and Freddie Mac. FHFA fired a total of 14 members of the 25 board members at Fannie Mae and Freddie Mac; installed the FHFA Director as chair of both boards (in violation of law); installed FHFA's General Counsel, Clinton Jones, as a member on both boards; and fired Fannie Mae's entire audit committee.[125] (3/17/2025) FHFA fired most of the officers and staff in the Office of Minority and Women Inclusion at Fannie Mae and Freddie Mac; Freddie Mac's CEO (Diana Reid), COO, head of HR, and SVP of Mission and Community Engagement; and Fannie Mae's fair lending officers.[126] (3/18/2025) Fannie Mae's CEO (Priscilla Almodovar) stepped down unexpectedly and was replaced by the COO, and Fannie Mae's General Counsel (Danielle McCoy) was replaced by a deputy general counsel (Tom Klein).[127] (10/27/2025)

5-Jeopardizing people's data privacy and protections from unfair algorithms

- Unfair Algorithms. The administration rescinded the federal government's framework for responsible artificial intelligence (AI), allowing AI and other automated systems to experiment on the people of America in housing and financial services without the guardrails of a safe, secure, and trustworthy auditing framework.[128] (1/20/2025) [59-60]
- Personal Data. Without security clearances or training, Elon Musk and DOGE gained access to the personal, confidential data of the people of America through government

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[124] Cassandra Dumay, *Top Watchdog Out at FHFA,* Politico (Nov. 3, 2025), https://subscriber.politicopro.com/article/2025/11/top-watchdog-out-at-fhfa-00634168.

[125] Rachel Siegel, *Trump Team Shakes Up Mortgage Giants As It Weighs Their Futures,* Washington Post (March 19, 2025), https://www.washingtonpost.com/business/2025/03/18/fannie-mae-freddie-mac-fhfa-overhaul-mortgage/. Lew Sichelman, *Pulte Clanes House at GSEs*, National Mortgage Professional (March 18, 2025), https://nationalmortgageprofessional.com/news/pulte-cleans-house-gses.

[126] James Kleimann and Chris Clow, *ESG Team at Fannie Mae Has Been Terminated*, HousingWire (April 25, 2025), https://www.housingwire.com/articles/esg-team-at-fannie-mae-has-been-terminated-sources/; Katy O'Donnell, *Housing Regulator in Upheaval as Executives, Employees Put on Leave*, Politico (March 20, 2025), https://www.politico.com/news/2025/03/20/employees-placed-on-leave-at-top-housing-regulator-00240298.

[127] Keith Griffith, *Fannie Mae CEO Exits Abruptly as Trump Considers Taking the Mortgage Giant Public,* Realtor.com (Oct. 27, 2025), https://www.realtor.com/news/real-estate-news/fannie-mae-ceo-priscilla-almodovar/; Ryan Kingsley, *New Head of Single Family, General Counsel Named at Fannie Mae* (Oct. 27, 2025), https://www.scotsmanguide.com/news/new-head-of-single-family-general-counsel-named-at-fannie-mae/.

[128] Trump Administration, *Initial Rescissions of Harmful Executive Orders and Actions* (Jan. 20, 2025), https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/; NFHA, *NFHA Outlines Key Considerations for OSTP Director Michael Kratsios* (April 1, 2025), https://nationalfairhousing.org/national-fair-housing-alliance-outlines-key-considerations-for-ostp-director-michael-kratsios/; NFHA, *NFHA President and CEO Lisa Rice Issues Statement on Trump Administration's AI Plan and Executive Orders* (July 5, 2025), https://nationalfairhousing.org/national-fair-housing-alliance-nfha-president-and-ceo-lisa-rice-issues-statement-on-the-trump-administrations-ai-plan-and-executive-orders/.

databases.[129] For example, DOGE gained access to HUD's Enforcement Management System which contains medical records, financial files, Social Security numbers, medical details, and addresses of domestic violence survivors. (2/26/2025)

- HUD Guidance. HUD withdrew guidance regarding the application of the Fair Housing Act to housing-related technology, such as tenant screening.[130] (9/2025) [558]

[129] Jesse Coburn, *DOGE Gains Access to Confidential Records on Housing Discrimination, Medical Details - Even Domestic Violence,* ProPublica (Feb. 26, 2025), https://www.propublica.org/article/doge-elon-musk-hud-housing-discrimination-privacy-domestic-violence.

[130] Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/. Withdrawn guidance includes: *DOJ Press Release on AI Discrimination in Tenant Screening* (Jan. 9, 2023); *Louis et al. v. SafeRent et al. U.S. Statement of Interest (tenant screening algorithm)* (Jan. 9, 2023); *Guidance on Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions through Digital Platforms* (Apr. 29, 2024).

Appendix C – Examples of Cases Using the Disparate Impact Standard

Disparate impact has been cognizable under the major federal civil rights laws for over half a century and has been used to challenge policies that unnecessarily restrict opportunities for tenants, borrowers, property owners, local residents, employees, and others. In several instances, the claims were brought by the administration - e.g., HUD or the U.S. Department of Justice - to ensure fair housing opportunities for all.

Tenants

- *HUD v. Mountain Side Mobile Estates P'Ship*, No. 08-92-0010-1, 1993 WL 307069 (Hud Sec'y July 19, 1993), aff'd in relevant part, 56 F.3d 1243 (10th Cir. 1995) (HUD determined that a three-person-per-dwelling maximum occupancy policy in a **mobile home community** had a discriminatory effect on families with children and submitted a brief to the Tenth Circuit in support of this position and the court agreed with HUD's position).

- *Rhode Island Commission for Human Rights v. Graul*, 120 F. Supp. 3d 110, 123-24 (D.R.I. 2015) (granting partial summary judgment to plaintiffs in case challenging **landlord's** policy of prohibiting more than two persons in an apartment, which had a disparate impact on the basis of familial status and explaining that a prima facie case requires only identifying a neutral policy that causes an adverse impact).

- *Alexander v. Edgewood Management Corp.*, No.15-01140, 2016 WL 5957673, at *2-3 (D.D.C. July 25, 2016) (denying motion to dismiss disparate impact claims related to **landlord's** policy of rejecting rental applicants based on criminal history).

- *Sams v. Ga West Gate LLC*, No. cv-415-282, 2017 WL 436281, at *5 (S.D. Ga. Jan. 30, 2017) (denying motion to dismiss disparate impact claims based on **landlord's** policy barring residency for any individual who had felony or misdemeanor convictions within 99 years and explaining that pleading requires only identifying a policy that causes disparities).

- *Paige v. New York City Housing Authority*, No. 17-cv-7481, 2018 WL 3863451, at *3 (S.D.N.Y. Aug. 14, 2018) (denying motion to dismiss disparate impact claims against a **housing authority** based on failure to inspect lead paint that would adversely impact families with children and explaining that the plaintiff need only plead identification of a policy that causes discriminatory effect).

- *Reyes v. Waples Mobile Home Park Limited Partnership*, 903 F.3d 415 (4th Cir. 2018) (confirming that the *Inclusive Communities* case did not change disparate impact law).

- *Fortune Society v. Sandcastle Housing Development Fund Corp.*, 388 F. Supp. 3d 145, 172-173 (E.D.N.Y. 2019) (denying summary judgment against disparate impact claim based on **landlord's** criminal records ban on tenants and explaining that prima facie case requires showing only outwardly neutral practice that caused adverse impact).

- *Connecticut Fair Housing Center v. Corelogic Property Solutions*, LLC, 369 F. Supp. 3d 362, 377-78 (D. Conn. 2019) (denying motion to dismiss disparate impact claim against entity offering a **criminal tenant screening product** and explaining that prima facie case requires only a neutral practice that causes adverse impact).

Borrowers/Property Owners

- *United States v. Countrywide Financial Corp*., No. 2:11-CV-10540-PSG-AJW (C.D. Cal. 2011), *United States v. Wells Fargo*, No. 1:12-cv-01150-JDB (D.D.C. 2012) (DOJ pursued disparate impact claims on behalf of Black and Latino borrowers who were targeted by **lenders** with toxic, sub-prime loans and steered to pay more than similarly-situated White borrowers for the same products).

- *National Fair Housing Alliance v. Travelers Indemnity Co.*, 261 F. Supp. 3d 20 (D.D.C. 2017) (held that plaintiffs sufficiently pleaded that failure to provide **insurance** to landlords that rent to Section 8 voucher holders had a disparate impact on African Americans and women).

- *City of Philadelphia v. Wells Fargo & Co.,* No. 17-cv-2203, 2018 WL 424451, at *4 (E.D. Pa. Jan. 16, 2018) (denying motion to dismiss disparate impact claims against a **lender** based on discriminatory mortgage lending and explaining alleging a claim requires only identifying a specific policy that causes a disparity).

- *Prince George's County, Md. v. Wells Fargo & Co.*, ---F. Supp. 3d---, 2019 WL 3766526, at *10 (D. Md. Aug. 9, 2019) (denying motion to dismiss disparate impact claim against a **lender** as a result of discriminatory equity-stripping mortgage lending scheme and describing that first step only requires plaintiff to plead the existence of a policy that causes a disparate impact).

Local Residents

- *United States v. City of Black Jack, 508 F.2d 1179 (8th Cir. 1975*) (the Nixon Administration utilized disparate impact liability to challenge a **city's** ostensibly race-neutral zoning ordinance that had a discriminatory effect on Black people and that would perpetuate segregation).

- *Texas Dep't of Housing & Community Affairs v. Inclusive Communities Project*, Inc., 576 U.S. 519 (2015) (holding that "disparate-impact claims are cognizable under the Fair Housing Act" and that Congress ratified disparate impact liability when it amended the Act in 1988 to clarify and strengthen its enforcement mechanisms).

- *Win*fi*eld v. City of New York*, No. 15-cv-5236, 2016 WL 6208564, at *5 (S.D.N.Y. Oct. 24, 2016) (denying motion to dismiss disparate impact claims based on community preference in **city** affordable housing program and explaining that prima facie case requires only identifying a neutral policy that causes adverse impact).

- *MHANY Management, Inc. v. County of Nassau*, 819 F.3d 581 (2d Cir. 2016) (holding that a majority-White **town's** zoning decision precluding multifamily houses and meaningful development of affordable housing violated the Fair Housing Act by perpetuating

segregation and that the *Inclusive Communities* case did not change disparate impact law).

- *National Fair Housing Alliance v. Federal National Mortgage Ass'n*, 294 F. Supp. 3d 940, 947 (N.D. Cal. 2018) (denying motion to dismiss disparate impact claims based on failure of **Fannie Mae** to perform basic maintenance on foreclosed properties in minority neighborhoods and explaining that prima facie case requires identifying a policy that causes disparities).

Potential Employees

- *Griggs v. Duke Power Co*., 401 U.S. 424 (1971) (recognizing the disparate impact standard and stating that "[w]hat is required by Congress is the removal of artificial, arbitrary, and unnecessary barriers to **employment** when the barriers operate invidiously to discriminate on the basis of racial or other impermissible classification").