# 2026 FAIR HOUSING TRENDS REPORT

NFHA NATIONAL FAIR HOUSING ALLIANCE



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# Acknowledgements

The National Fair Housing Alliance® (NFHA™) would like to thank NFHA's Operating Members and NFHA's Supporting Members. NFHA's membership is led by private, nonprofit community-based fair housing organizations that process the vast majority of housing discrimination complaints in the U.S. every year. These organizations were able to contribute to this report because of federal funding received through the Fair Housing Initiatives Program (FHIP). The charts in this report were created by NFHA staff using the data provided.

## About the National Fair Housing Alliance

Founded in 1988 and headquartered in Washington, D.C., the National Fair Housing Alliance leads a coalition that works to build inclusive, well-resourced, and resilient communities; expand equitable opportunities; and end housing discrimination.

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Note on the language in this report: As a civil rights organization, we are aware that there is not universal agreement on the appropriate race or ethnicity label for the diverse populations in the United States or even whether particular labels should be capitalized. We intend in all cases to be inclusive, rather than exclusive, and in no case to diminish the significance of the viewpoint of any person or to injure a person or group through our terminology. For purposes of this report, we have utilized the following language (except in cases where a resource, reference, case, or quotation may use alternate terminology): Black, Latino, Asian, and White. In prior publications, we have utilized the term "African American," but there are some who argue that this term is exclusive, and we intend to be as inclusive as possible. We are also aware that many people prefer the term "Hispanic" or "Latinx." We intend in this report to include those who prefer "Hispanic" or "Latinx" in the term "Latino" and intend no disrespect. We refer to "neighborhoods of color" or specify the predominant race(s) of a neighborhood, rather than utilizing the term "minority." We also use the term "disability," rather than "handicap" (the term used in the Fair Housing Act).

# Executive Summary

The people of America are facing a dire fair and affordable housing crisis, marked by rising interest rates, the rollback of hard-won protections that kept creditworthy borrowers from being denied homeownership, skyrocketing rents that burden low- and moderate-income households, and a lack of millions of affordable housing units. These conditions have only exacerbated the acts of illegal housing discrimination that people face on a daily basis. At the same time, the second Trump Administration is attacking the very infrastructure that makes the promises of the Fair Housing Act (FHA) real. In a demonstration of the Administration's obstruction to advancing fair housing, the Department of Justice (DOJ) and Department of Housing and Urban Development (HUD) refused to share housing discrimination data with the National Fair Housing Alliance for the first time in our organization's history of producing the annual Fair Housing Trends Report, which dates back to 1996.

HUD's refusal to share public data extends to state and local government organizations that enforce fair housing laws thanks to funds from the Fair Housing Assistance Program (FHAP). Thankfully, NFHA was able to compile the DOJ's data from its public case website. Despite increasing headwinds, the fair housing movement remains a united front—protecting and advancing the rule of law. The following data and analysis is our best picture of housing discrimination in America in 2025 and does not include HUD data or FHAP data.

The current Administration has made multiple attempts at defunding private, local nonprofit fair housing enforcement organizations that are often the only place a family has to turn when they're unlawfully denied housing. These actions forced some fair housing groups to close temporarily and most to cut services. In the face of ongoing attacks, community-based Fair Housing Organizations (FHOs), along with the DOJ, processed 20,805 housing discrimination complaints in 2025 compared to 24,001 in 2024. In line with trends documented for the last several years, disability-related complaints comprised the majority of housing complaints filed at more than 55 percent. There was a slight increase in the percentage of complaints based on familial status and sex. Complaints based on immigration and citizenship status also increased. Per the limited data available, the remaining four categories of complaints based on the seven protected characteristics outlined in the FHA, namely race, color, national origin, and religion, declined.

## Lower Numbers Don't Mean Fewer Acts of Illegal Discrimination

In 2024, the total number of housing discrimination complaints processed by FHOs, FHAPs, the DOJ, and HUD amounted to 32,321. FHOs processed 74 percent of all housing discrimination complaints during that reporting period. HUD's refusal to share its data makes a direct year-over-year comparison impossible. While the available reports of housing discrimination complaints are lower in 2025, this does not signal a decline in the instances of housing discrimination in our country. It instead demonstrates something worse. When someone faces discrimination, they don't call an office building in Washington, D.C. They call the fair housing

center in their own city, usually on the worst day they've had in years. In 2025,[1] more of those calls went to offices running on half a staff, or to phones that nobody had the funding to answer despite Congress appropriating funding for their critical work. Discrimination didn't decline. The administration of appropriated resources to tackle it did.

Even though NFHA won a federal court order in 2025 to compel the Administration to release congressionally appropriated money to organizations that depend on funds from the Fair Housing Initiatives Program (FHIP) to protect fair housing rights, the Administration delayed the release of those funds by upwards of six months for nearly half of recipients. These delays greatly impact frontline organizations and their ability to serve their communities. Of the member organizations that submitted data, 76 percent reported funding disruptions. For the vast majority, it meant cutting services to the communities that count on them. Additionally, reduced staffing levels at HUD's Office of Fair Housing and Equal Opportunity meant fair housing cases were often referred to FHOs that were increasingly tasked with doing more with fewer resources.[2]

## FUNDING CUTS BY THE NUMBERS



Of the **62** organizations reporting disruptions, **58 were forced to reduce services**



**9** organizations reported **not being able to pay staff,** taking out loans to cover costs, or depleting reserves



**15** organizations **shrank or stopped fair housing testing altogether**



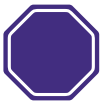

**4** organizations reported **temporary office closures**



**14** organizations were **forced to have reductions in their workforce**



**11** organizations **scaled back or stopped taking on new cases** due to limited staffing



**2** organizations will have **stopped their fair housing work by the end of 2026**

1 National Fair Housing Alliance, "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/.

2 U.S. Government Accountability Office, Department of Housing and Urban Development: 2025 Workforce and Spending Changes, GAO-26-108442 (publicly released Oct. 14, 2026), https://www.gao.gov/products/gao-26-108442.

# STORIES FROM THE GROUND: CRITICAL RESOURCES DEPLETED



The **Southwest Fair Housing Council in Arizona** navigated an 18-month disruption in federal funding that required the organization to lay off over half of its staff. That left just four people to cover fair housing enforcement across an entire state of 7.6 million people.



The **Fair Housing Center of Central Indiana** survived a 10-month disruption in federal funding by cutting back on materials that inform residents of their fair housing rights and restricting other services. Two full-time positions remain unfilled and reserves are nearly gone.



The **Community Legal Aid Society of Delaware** was forced to stop taking on new cases for a month and ceased fair housing testing that proves a violation of the law occurred.



The **Massachusetts Fair Housing Center** shut its doors to new cases three separate times in 2025. As a result, fifty fewer families' fair housing rights were protected than the year before.



The **Louisiana Fair Housing Action Center** managed to survive a 6-month disruption in federal funding while processing 77 percent more complaints in 2025 than in 2024. They laid off staff that fielded new complaints, conducted public education to raise awareness of housing rights, and developed testing to prove discrimination happened. Another staffer resigned anticipating further layoffs.

### WHERE FAIR HOUSING CENTERS STAYED OPEN, COMPLAINTS CLIMBED

- The **Fair Housing Center of Washington** handled 486 intakes in 2025, roughly 125 more than usual, and turned away more people than ever before.
- The **Metropolitan Fair Housing Council of Oklahoma** watched daily calls triple while operating on 24 percent of its annual funding.

### WHERE CENTERS WENT QUIET, COMPLAINTS FELL BUT DISCRIMINATION DIDN'T

- The **Fair Housing Contact Service** in Akron eliminated the tenant counseling that fed its referral pipeline and has since seen a drastic decline in reported complaints.
- The **Fair Housing Center of the Greater Palm Beaches** had fewer calls because people assumed the office had closed.

### BY THE END OF 2026, TWO FAIR HOUSING GROUPS WILL HAVE STOPPED THEIR WORK

Renters and homebuyers in metro Phoenix and metro Denver will have lost a local group they could call when a landlord or lender turned them away.

- The **Arizona Fair Housing Center** ceased operations in summer 2025 after funding disruptions.
- The **Denver Metro Fair Housing Center** will put its fair housing work on hold indefinitely by the end of 2026.

The disruption in funding for FHOs has not ended. In July 2026, NFHA and the Massachusetts Fair Housing Center sued HUD over Fiscal Year 2025 and 2026 Notices of Funding Opportunity (NOFOs) that would have consolidated $46 million of FHIP's $56 million budget into five awards and locked FHOs out of applying.[3] A federal court vacated the FY2025 notices in August and reaffirmed that order in September. The money that keeps the doors of local fair housing organizations open is now litigated year over year instead of allocated and disbursed as Congress intended.

## Rollback of Federal Fair Housing Enforcement

At the same time, the federal government's enforcement mechanism has also been hollowed out. At least 3,188 HUD employees left the department in 2025, the vast majority through a deferred resignation program. Of those employees who separated from the department, 41 percent had more than 20 years of service.[4] HUD's Office of Fair Housing and Equal Opportunity (FHEO) now has a third of the staff it had on January 20, 2025, when the current Administration took office.[5] The deepest cuts to HUD's federal enforcement mechanism landed on the office that investigates discrimination complaints. The DOJ also has a diminished enforcement capacity. Roughly 75 percent of career attorneys in the DOJ's Civil Rights Division, long considered

3 National Fair Housing Alliance, "Fair Housing Groups Nationwide Will Stay Open After Federal Court Ruling" (Aug. 26, 2026), **https://nationalfairhousing.org/fair-housing-groups-nationwide-will-stay-open-after-federal-court-ruling/**.

4 GAO, HUD: 2025 Workforce and Spending Changes.

5 Complaint for Declaratory and Injunctive Relief, Massachusetts Fair Housing Center v. U.S. Department of Housing and Urban Development, No. 3:26-cv-30117 (D. Mass. filed July 23, 2026), at ¶ 174, **https://nationalfairhousing.org/wp-content/uploads/2026/07/FHIP-III-Complaint.pdf**.

the crown jewel of federal civil rights enforcement, either quit, took the Administration's deferred resignation program, or retired early by August 2025.[6] The DOJ filed 31 cases in FY2025, down from 44 the year before, and only five of them came after February 2025. People who lost a local fair housing center, or couldn't get help because funding cuts had reduced capacity, often found federal backstops gutted too.

## The Fight for Fair Housing Continues

The sections that follow provide detailed data on alleged acts of unlawful housing discrimination in 2025, highlight significant enforcement action, examine emerging issues in automated systems and algorithmic bias, and outline key policy recommendations to uphold and advance fair housing. What this report cannot show is the full scope of housing discrimination in America last year, because two important federal agencies decided to break from established norms and not provide this information to the public. What it does show is that the need for fair housing enforcement has not fallen, only the capacity to deliver it. What changed in 2025 is that the federal government stopped honoring a bipartisan commitment nearly four decades old. Congress created FHIP under President Ronald Reagan in 1987 because it recognized that community-based organizations are indispensable in enforcing the law, and until now every administration has funded that work. The infrastructure that was built has been fractured. Putting it back together stronger than before will keep the Fair Housing Act from becoming only a promise on paper and ensure a family has recourse when discrimination hits home.

6 Suzanne Monyak & Ben Penn, "DOJ Fires and Reassigns Civil Rights Lawyers as New Hires Arrive," Bloomberg Law, Aug. 25, 2025, **https://news.bloomberglaw.com/us-law-week/doj-fires-and-reassigns-civil-rights-lawyers-as-new-hires-arrive**.

# **Section I:** Housing Discrimination Complaints

## Overview of Housing Discrimination Complaints

In the past, to produce this report, NFHA has collected data from private, local, nonprofit fair housing organizations (FHOs), the U.S. Department of Housing and Urban Development (HUD), state and local Fair Housing Assistance Program agencies (FHAPs), and the Department of Justice (DOJ). This data has been provided willingly to NFHA from all organizations and agencies. Together these agencies have historically made up the national infrastructure to address housing discrimination in the United States. NFHA requested the same complaint data from HUD, FHAP agencies, and the DOJ that it has requested every year for three decades. For the first time since 1996, the agencies did not provide it.

With 2025 data publicly unavailable from HUD and FHAP agencies, **the analysis in this year's report will be based solely on the data reported by community-based nonprofit fair housing organizations and the DOJ.**[7] Data reported by fair housing organizations was provided voluntarily to NFHA, and data from the DOJ was compiled using the DOJ's public-facing Housing and Civil Enforcement Cases website.[8]

In 2025 with limited data, private, nonprofit fair housing organizations and the DOJ received **20,805 complaints of housing discrimination,** compared to 24,001 complaints reported in 2024. This is a decrease of 3,196 complaints or 13 percent. As in prior years, disability-related complaints comprised the largest share, followed by complaints alleging discrimination based on race, sex, and familial status. Complaints most frequently arose in the rental market, though notable numbers were also reported in home sales and mortgage lending.

> What's counted here is a fraction of the millions of violations that occur each year. Discrimination is hard to detect and harder to document.
>
> Many people who experience discrimination never report it because they are unable to detect it, doubt anything will be done about it, or they fear retaliation from a landlord or neighbor.

Housing discrimination happens across rentals, home sales, mortgage lending, insurance, zoning, design and construction, and appraisals. It also happens when developers build units people with disabilities can't use, and when housing providers deny the reasonable accommodations and modifications that make a home usable. This report primarily tracks the seven federally protected classes: race, color, religion, national origin, sex, disability, and familial status. It also includes data on classes protected under state and local laws, including sexual orientation, source of income, and marital status. What's counted here is a fraction of the millions of violations that occur each year. Discrimination is hard to detect and harder to document. Many people who experience discrimination never report it because they are unable to detect it, doubt

7 Private fair housing agencies report their data based on the calendar year, while DOJ data is reported based on the federal fiscal year (October-September).

8 U.S. Department of Justice, Civil Rights Division, Housing and Civil Enforcement Cases (accessed Sept. 28, 2026), **https://www.justice.gov/crt/housing-and-civil-enforcement-cases**.

anything will be done about it, or they fear retaliation from a landlord or neighbor.

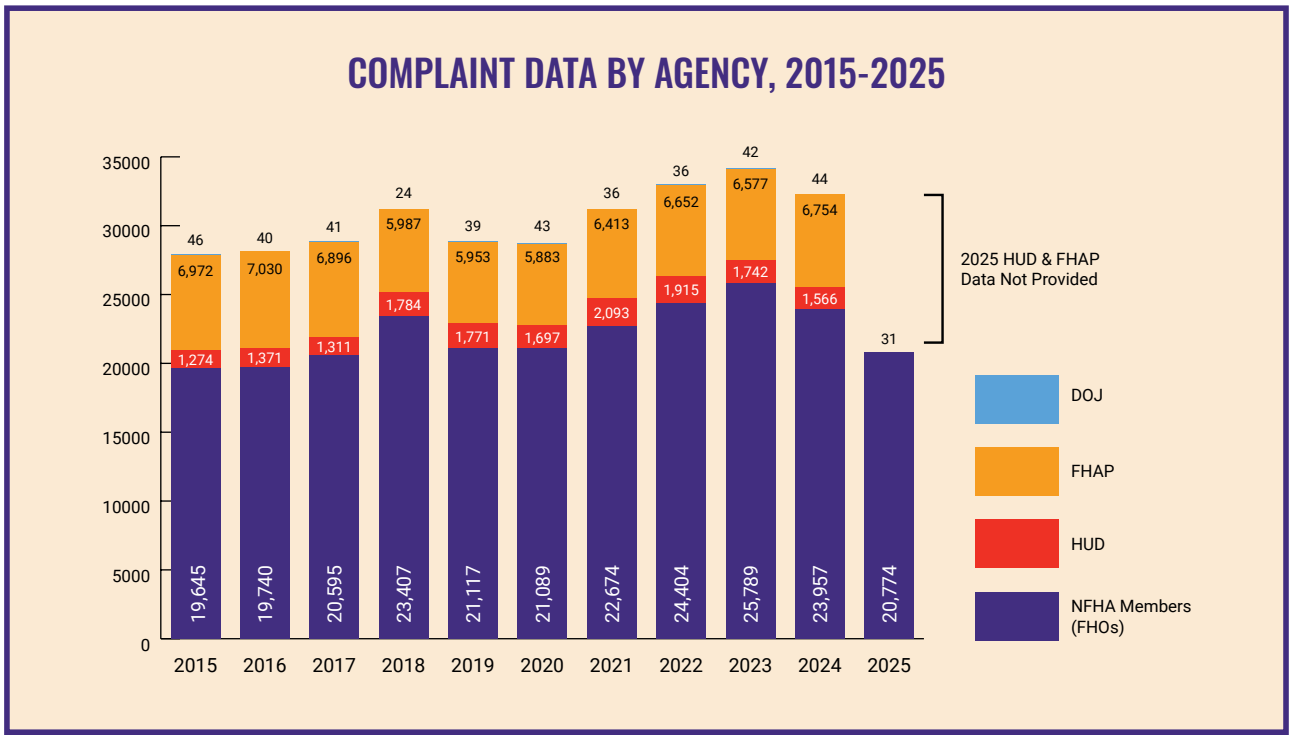
## Complaint Data by Agency

This year's report includes submissions from 82 of NFHA's Operating and Supporting Members, which are private, local, nonprofit fair housing organizations or legal aid agencies. This year's total of 82 FHO responses is the same as last year's total of 82. Private, nonprofit fair housing organizations have historically processed most fair housing complaints as past reports have detailed.

Fair housing organizations continued to process thousands of discrimination complaints in 2025. However, federal funding disruptions for community-based fair housing agencies significantly affected their ability to serve their communities. Out of 82 submissions from FHOs in 2025, 62 (or 76 percent) reported experiencing a disruption in funding during the 2025 calendar year, and four organizations reported having to close their doors for a portion of the year.

This disruption in funding caused FHOs to have to severely limit or pause core fair housing activities such as education, outreach, advocacy, and training, as well as client intake and complaint investigation. More than half of the 82 FHOs that submitted housing discrimination complaint data for 2025 reported a decline in complaints from 2024 to 2025.

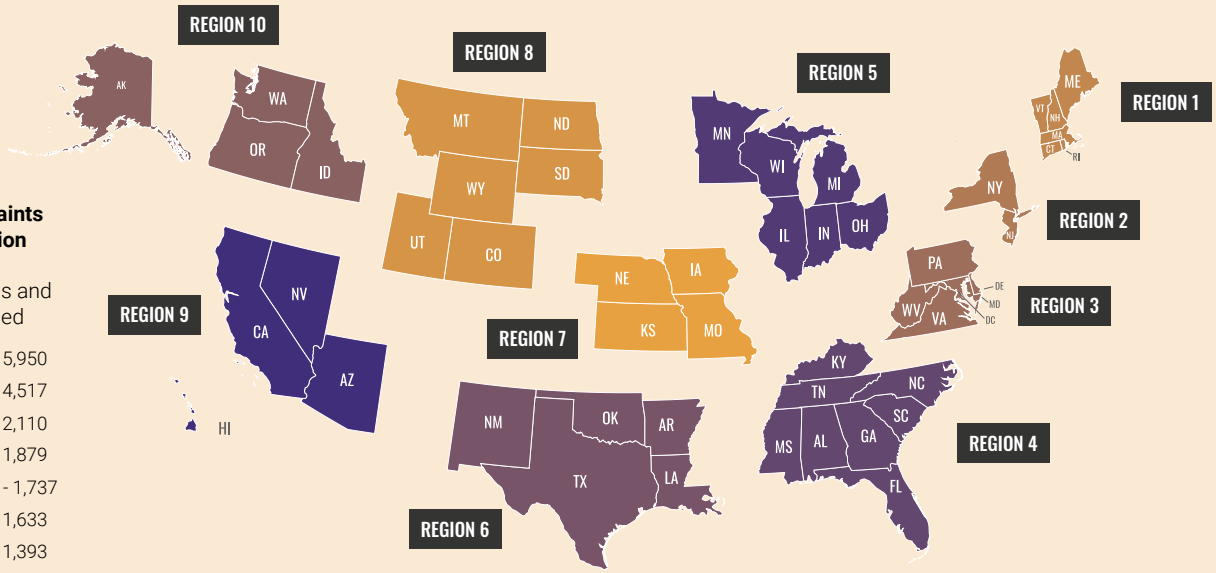
Many of these organizations faced significant staffing issues due to the federal funding interruption, with reports of staff layoffs, decreasing full-time staff to part-time, and pausing the hiring of open and unfilled positions among other struggles. These staffing constraints, combined with having to scale back or suspend their organization's core services, greatly contributed to the decline in complaints reported.  This decline in complaints may not reflect a true decrease



in complaints from 2024 to 2025, however; multiple organizations noted that the community's demand for their services did not stop, but their reduced capacity to serve their community resulted in fewer complaints being logged and processed.

Fair housing complaint data by agency is included in the table above, along with data from the last 10 years. HUD and FHAP data was not provided to NFHA for 2025.

## HOUSING DISCRIMINATION COMPLAINTS BY HUD REGION




**Total Complaints by HUD Region**
Fair Housing Organizations and DOJ Combined

- Region 9 - 5,950
- Region 5 - 4,517
- Region 4 - 2,110
- Region 6 - 1,879
- Region 10 - 1,737
- Region 3 - 1,633
- Region 2 - 1,393
- Region 1 - 1,177
- Region 8 - 406
- Region 7 - 3

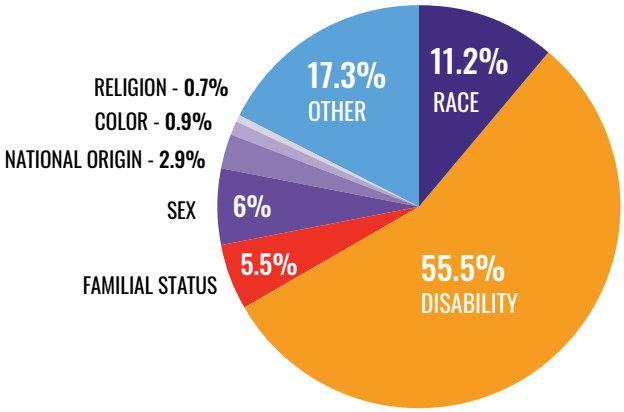
* HUD and FHAP Agencies did not provide 2025 housing discrimination complaint data to NFHA. This map displays complaints by HUD region for fair housing organizations and the DOJ.

## Complaint Data by Basis and Agency

This section details the national complaint data by protected class, or basis of discrimination. **Note: Whereas prior Trends Reports analyzed year-over-year changes in complaint data based on the combined data from FHOs, HUD, FHAP agencies, and the DOJ, this year's report will focus solely on the limited analysis possible between FHOs and the DOJ.**

As in prior reports, complaints alleging discrimination based on disability account for the majority of complaints filed with FHOs and the DOJ. There were 11,543 complaints of discrimination against people with disabilities – more than half (55 percent) of all complaints reported. In 2024, housing discrimination complaints based on disability accounted for 51 percent of all complaints reported by FHOs and DOJ.

### PERCENTAGE OF TOTAL COMPLAINT DATA BY BASIS IN 2025




### COMPLAINT DATA BY BASIS AND AGENCY IN 2025

| | RACE | DISABILITY | FAMILIAL STATUS | SEX | NATIONAL ORIGIN | COLOR | RELIGION | OTHER | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| NFHA MEMBERS | 2,317 | 11,533 | 1,139 | 1,234 | 605 | 194 | 139 | 3,613 | 20,774 |
| HUD* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| FHAPS* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| DOJ* | 10 | 10 | 2 | 5 | 1 | 0 | 3 | 0 | 31 |
| TOTAL | 2,327 | 11,543 | 1,141 | 1,239 | 606 | 194 | 142 | 3,613 | 20,805 |

* HUD and FHAP Agencies did not provide 2025 housing discrimination complaint data to NFHA. DOJ data was compiled using public data sources.

The second most reported type of housing discrimination was based on race, with 2,327 complaints (11 percent). Sex was the third most frequent basis of discrimination, with 1,239 complaints (6 percent). The fourth most frequent basis of discrimination was familial status, with 1,141 complaints (5 percent). The fifth most frequent basis was national origin, with 606 complaints reported (3 percent). Color was the basis of discrimination for 194 complaints (less than 1 percent), and religion was the basis of 142 complaints (less than 1 percent). From 2024 to 2025, there were slight percentage increases in complaints based on disability, sex, and familial status.

## HUD Aged Cases

HUD regulations under the Fair Housing Act require that HUD and FHAP agencies complete their investigations of fair housing complaints within 100 days of the initial receipt of a complaint, with the exception of complex investigations (for example, real estate racial steering, appraisal bias, or insurance redlining complaints) or systemic cases. If a case exceeds the 100-day statutory mark, it is considered an "aged" case. Both HUD and FHAP agencies have a long legacy of carrying many aged cases with a disproportionate percentage of aged case investigations lasting for several years.[9] An April 2004 GAO report addressed to Senators Sarbanes and Jack Reed found 1,611 cases resting with HUD and FHAP agencies were "aged as of September 2003."[10]

The 2025 Fair Housing Trends Report,[11] which examined data procured from HUD and other agencies, documents a long pattern of aged cases at HUD. For example, in 2015, there were 1,089 aged cases at HUD and 3,484 at FHAP agencies. In 2017, there were 895 aged cases at HUD and 3,994 at FHAP agencies. In 2019, the number of aged cases at HUD had spiked to 1,153 while there were 3,599 aged cases at FHAP agencies. Aged cases at HUD fell from a high of 1,449 in 2022 (during the COVID pandemic) to 1,235 in 2024. At FHAP agencies, during the same time period, aged cases went from 4,713 to 4,631. The number of aged cases at HUD and FHAP agencies, as well as the number of cases opened during the fiscal year that aged, were not provided by HUD for this year's report.

There are numerous reasons for aged cases including an increase in more complex cases, complications caused by the COVID pandemic, technology challenges, and diminishing staff and resources at HUD and FHAP agencies to properly investigate and manage cases.

## Complaints by Basis of Discrimination

While fair housing organizations primarily receive complaints of discrimination based on federally protected classes, they also receive complaints of discrimination based on protections provided only by state and or local fair housing laws. In 2025, 17 percent of all complaints reported by FHOs (3,613 complaints) involved a basis of discrimination not protected under federal law.

Private fair housing organizations provided a breakdown of "other" protected class categories for these 3,613 complaints, including the following primary categories:

9 See previous Fair Housing Trends Reports for more details about aged cases.

10 U.S. General Accounting Office, Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process, GAO-04-463 (Apr. 2004), https://www.gao.gov/assets/a242112.html.

11 National Fair Housing Alliance, 2025 Fair Housing Trends Report (2025), https://nationalfairhousing.org/wp-content/uploads/2025/11/2025-NFHA-Fair-Housing-Trends-Report.pdf.

- Source of Income (1,892 complaints)
- Age/Student Status (331 complaints)
- Sexual Orientation (140 complaints)
- Gender Identity/Expression (72 complaints)
- Marital Status (63 complaints)
- Criminal Background (292 complaints)
- Victims of Domestic Violence (242 complaints)
- Military Status (48 complaints)
- Retaliation (363 complaints)
- Immigration Status/ Citizenship (48 complaints)

In 2025, most "other" protected class categories saw a decrease with the exception of complaints based on immigration status or citizenship. This category saw an increase from 36 in 2024 to 48 complaints in 2025.

## Complaints by Transaction Type

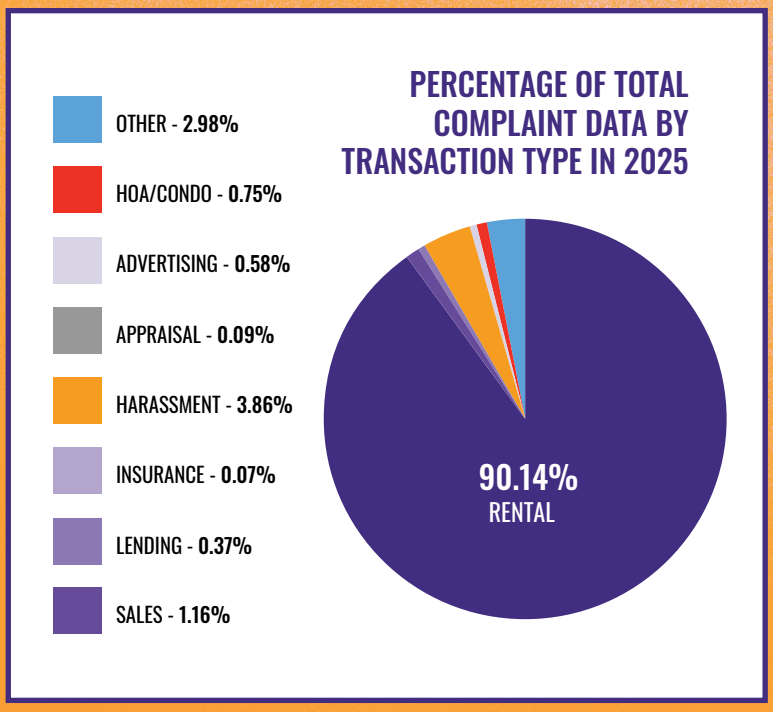
The data in this section is based on complaints received that occurred in rental, real estate sales, mortgage lending, and homeowners' insurance transactions, as well as harassment and other complaints based on protected class. This section also details complaints received that occurred in appraisal transactions. **Note: Whereas prior Trends Reports analyzed year-over-year changes in complaint data based on the combined data from FHOs, HUD, FHAP agencies, and the DOJ, this year's report will focus solely on analysis between FHOs and the DOJ.**

### COMPLAINTS BY TRANSACTION TYPE IN 2025

| | RENTAL | SALES | LENDING | INSURANCE | HARASSMENT | APPRAISAL | ADVERTISING | HOA/CONDO | OTHER | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| NFHA MEMBERS | 18,734 | 241 | 74 | 14 | 802 | 17 | 120 | 157 | 615 | 20,774 |
| HUD* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| FHAPS* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| DOJ* | 19 | 1 | 4 | 0 | 1 | 1 | 0 | 0 | 5 | 31 |
| TOTAL | 18,753 | 242 | 78 | 14 | 803 | 18 | 120 | 157 | 620 | 20,805 |

* HUD and FHAP Agencies did not provide 2025 housing discrimination complaint data to NFHA.
DOJ data was compiled using public data sources.

# COMPLAINTS BY TRANSACTION TYPE IN 2025




## RENTAL MARKET – 18,753 COMPLAINTS

As in prior years, rental-related housing discrimination complaints were the most prevalent of any complaint transaction type. In 2025, there were 18,753 complaints of discrimination in the rental market processed by FHOs and the DOJ. From 2024 to 2025, there was a decrease of 3,124 complaints processed (14 percent decline). Rental-related complaints in 2025 accounted for 90.14 percent of all transaction types, compared to 91.1 percent in 2024.

## REAL ESTATE SALES – 242 COMPLAINTS

Real estate sales complaints accounted for 1.16 percent of all housing discrimination cases in 2025, with 242 complaints processed by FHOs and the DOJ. This number represents a slight decrease from 2024 when 255 sales complaints were reported. This marks the fourth consecutive year that sales complaints have seen a decline and may be a function of the continuation of a slowing real estate sales market resulting from limited housing supply and continued elevated mortgage interest rates.

## HOMEOWNERS INSURANCE TRANSACTIONS – 14 COMPLAINTS

Discrimination in the provision of homeowners insurance is difficult to identify because it is rarely overt. In 2025, 14 complaints of homeowners insurance-related discrimination were processed, representing less than one percent of all cases. This is a decrease from the 26 homeowners insurance complaints reported by FHOs and DOJ in 2024.

## APPRAISAL – 18 COMPLAINTS

In 2025, there were 18 complaints of appraisal discrimination, down from 39 in 2024. The decline followed HUD and the Office of Management and Budget's disbanding of the Property Appraisal and Valuation Equity Task Force, which was established during the Biden-Harris Administration.

## MORTGAGE LENDING – 78 COMPLAINTS

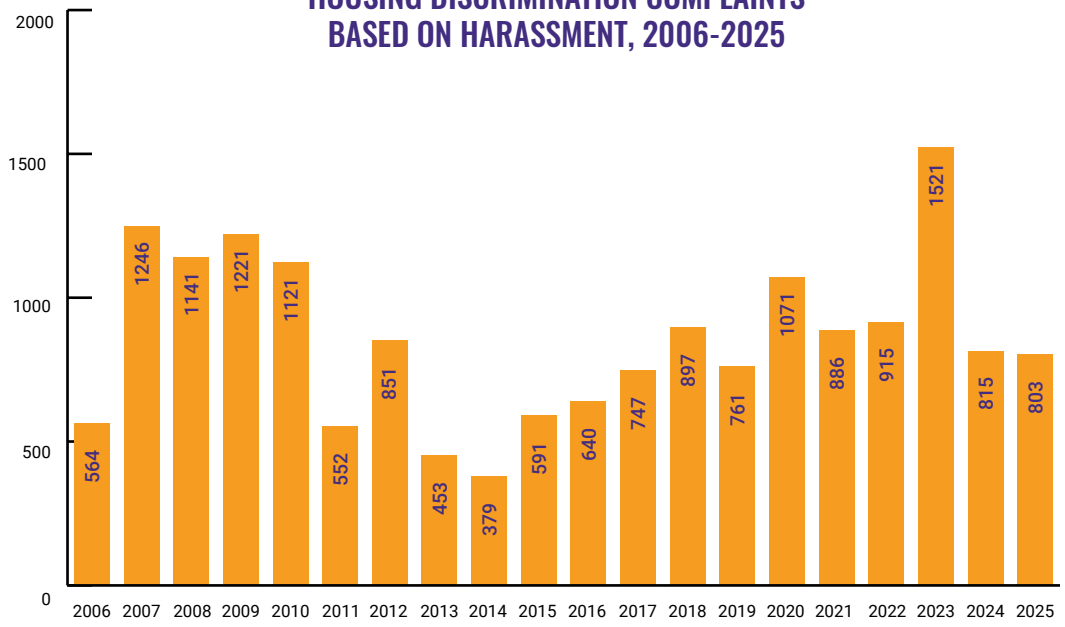
In 2025, there were 78 complaints of lending discrimination, a decrease from 2024's total of 148 complaints (47 percent decline).

## HARASSMENT – 803 COMPLAINTS

Women, single-parent heads of households, people of color, persons with disabilities, immigrants, persons with housing assistance, and others are often vulnerable to harassment in housing because they may experience retaliation or loss of housing. Harassment against protected classes may take the form of coercion, intimidation, threats, or interference; this is illegal under the Fair Housing Act, both in the provision of housing and in a housing setting.

In 2025, 803 complaints of harassment were reflected in the data for FHOs and the DOJ, a slight decrease of 12 complaints from the 815 reported in 2024.

### HOUSING DISCRIMINATION COMPLAINTS BASED ON HARASSMENT, 2006-2025




In 2025, there were 236 harassment complaints on the basis of disability, 173 harassment complaints on the basis of sex, 150 harassment complaints on the basis of race, 55 harassment complaints based on familial status, 39 harassment complaints based on national origin, 23 harassment complaints on the basis of color, and 8 harassment complaints on the basis of religion. There were also 119 harassment complaints based on other protected class categories including source of income (40), sexual orientation (17), domestic abuse/violence (16), age (10), and others.

## OTHER HOUSING-RELATED TRANSACTIONS – 897 COMPLAINTS

In 2025, 897 complaints fell into "other transaction" categories. Other housing-related transactions included 120 complaints of discriminatory advertising by housing providers and 157 complaints of discrimination by homeowners or condominium associations. Complaints of discriminatory advertising by housing providers saw an increase from 2024 to 2025, with 108 complaints reported in 2024 and 120 complaints reflected in the data for 2025.

## DOJ Enforcement

The Justice Department's Housing and Civil Enforcement Section enforces the Fair Housing Act, the Equal Credit Opportunity Act, the Servicemembers Civil Relief Act, Religious Land Use and Institutionalized Persons Act, and Title II of the Civil Rights Act of 1964. The Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988 increased the DOJ's authority and ability to bring housing discrimination cases. These cases can include suing over a pattern or practice of housing discrimination, taking cases HUD has charged when either party elects federal court, challenging discriminatory state or local zoning and land-use laws, and bringing lending cases on its own initiative without waiting for a referral. The DOJ has run a fair housing testing program since 1992 and a fair lending program that both challenges discriminatory mortgage practices and educates lenders on what the law requires. The division secured over $153 million in lending discrimination settlements alone from 2021 through 2025 as part of its Combatting Redlining Initiative.[12] That authority has not changed. However, the Department's capacity has been reduced under the current Administration.[13]

### OVERVIEW OF FY2025 DOJ CASES

In past Trends Reports, the summary of DOJ cases has relied on data voluntarily provided to NFHA by the DOJ. However, this year the DOJ did not produce their housing complaint data to NFHA. For this year's section of the report detailing DOJ's fair housing cases, NFHA compiled the DOJ's fiscal year 2025 data using their public-facing Housing and Civil Enforcement Cases website.[14]

The DOJ's Housing and Civil Enforcement Section filed 31 cases during FY2025, a decrease of 13 cases from the previous year. Three of these FY2025 cases were "pattern or practice" cases, compared to 21 that were filed in FY2024. The 31 cases filed by the DOJ in FY2025 included 11 cases alleging discrimination based on race and/or national origin, 10 cases alleging discrimination based on disability, five cases alleging sexual harassment in housing, three cases alleging violations of the Religious Land Use and Institutionalized Persons Act, and two cases alleging discrimination based on familial status.

Notably, the DOJ filed the majority of its FY2025 cases during the remaining four months of the Biden Administration. From October 2024 to January 2025, the DOJ filed 26 out of the 31 cases total that were filed in the fiscal year. The Trump Administration took over in late January 2025, and from February 2025 to September 2025, the DOJ filed a total of 5 cases.

Under new leadership, the DOJ's priorities were drastically realigned, and its staff was decimated from voluntary and involuntary job departures. The Trump Administration directed the DOJ's Civil Rights Division to advance the Administration's harmful policy objectives, including enforcing the Administration's new and often unlawful[15] executive orders and political priorities. These executive orders and political priorities include attempting to eliminate diversity, equity, inclu-

12 U.S. Department of Justice, "Justice Department Secures Third Settlement with a Non-Depository Mortgage Company to Resolve Redlining Claims in Miami" (Jan. 7, 2025), https://www.justice.gov/archives/opa/pr/justice-department-secures-third-settlement-non-depository-mortgage-company-resolve.

13 Monyak & Penn, "DOJ Fires and Reassigns Civil Rights Lawyers," https://news.bloomberglaw.com/us-law-week/doj-fires-and-reassigns-civil-rights-lawyers-as-new-hires-arrive

14 U.S. Department of Justice, Housing and Civil Enforcement Cases, https://www.justice.gov/crt/housing-and-civil-enforcement-cases.

15 ACLU, "The First 100 Days" (accessed Sept. 28, 2026), https://www.aclu.org/the-first-100-days.

sion and accessibility efforts in the private sector and in higher education; eliminating prorated housing assistance for "mixed-status" families and requiring proof of citizenship or eligible status for every resident in federally assisted housing; replacing "gender identity" and "sexual orientation" with "sex" across nearly 50 housing regulations; addressing what it describes as "anti-Christian bias"; preventing antisemitism; and investigating alleged voter fraud and noncitizen voting, among others.[16] It also directed the DOJ to fully enforce the Servicemembers Civil Relief Act (SCRA). As these executive orders and department priorities were unveiled, the DOJ experienced a mass exodus of staff. A total of 76 percent of the career Civil Rights Division managers departed the DOJ between January and September 2025, along with hundreds of its career attorneys.[17]

These reassigned DOJ priorities and the loss of the Civil Rights Division's experienced enforcement staff help explain why only five Housing and Civil Enforcement Cases were filed between February and September 2025.

## DOJ CASE HIGHLIGHTS

According to their public-facing Housing and Civil Enforcement Cases portal, the DOJ obtained 13 settlements in FY2025. Of the cases settled, four cases alleged race and/or national origin discrimination, three cases alleged disability discrimination, four cases alleged violations of the Servicemembers Civil Relief Act, and two alleged violations of the Religious Land Use and Institutionalized Persons Act. These 13 cases settled by the DOJ in FY2025 include the following:

The Department settled four cases alleging race and/or national origin discrimination. For example, the DOJ settled United States v. Citadel Federal Credit Union (E.D. Pa.), a case that alleged that Citadel Federal Credit Union violated the Equal Credit Opportunity Act and the Fair Housing Act by redlining majority-Black and Latino neighborhoods in its market area, which included the Pennsylvania counties of Bucks, Chester, Delaware, Lancaster, Montgomery, and Philadelphia. The consent order requires Citadel to open or acquire three full-service branches and invest at least $6 million in a loan subsidy fund to increase access to home mortgage, home improvement, and home refinance loans for residents of majority-Black and Latino communities in Philadelphia County. The consent order also requires Citadel to spend at least $270,000 on advertising, outreach, and consumer financial education and counseling, and spend at least $250,000 to develop community partnerships to provide services that increase access to residential mortgage credit in majority-Black and Latino communities throughout its market area.

The Department also settled three cases alleging disability discrimination. The DOJ settled United States v. Tammy Estrada (E.D. Wis.), a case alleging that the defendants discriminated on the basis of disability by refusing to allow the complainants to live with their assistance animals and by retaliating against them for exercising their fair housing rights. The settlement agreement requires defendants to pay $20,000 in damages to the complainants, implement a new reasonable accommodations policy, attend fair housing training, and provide a neutral rental reference.

16 Office of Sen. Peter Welch, Supplemental Memo on Shifting Enforcement Priorities and Staffing Changes at the Civil Rights Division (July 23, 2025), https://www.welch.senate.gov/wp-content/uploads/2025/07/2025.07.23-Welch-Memo-DOJCRT.pdf.

17 Suzanne Monyak, "Justice Department Loses a Third of Career Leaders Under Trump," Bloomberg Law, Sept. 29, 2025, https://news.bloomberglaw.com/us-law-week/justice-department-loses-a-third-of-career-leaders-under-trump.

# Section II: Case Highlights

## CASES CHALLENGING THE TRUMP ADMINISTRATION

### *MASSACHUSETTS FAIR HOUSING CENTER V. UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT*[18]

On July 23, 2026,[19] the National Fair Housing Alliance (NFHA) and the Massachusetts Fair Housing Center (MFHC) filed a major federal lawsuit against the U.S. Department of Housing and Urban Development (HUD) and its Secretary, challenging major changes to the Fair Housing Initiatives Program (FHIP) funding directives. The complaint targets HUD's Fiscal Year 2025 and 2026 Notices of Funding Opportunity (NOFOs) for FHIP. According to the complaint, the changes in the NOFOs have the purpose and effect of disqualifying most private fair housing organizations from funding in direct contradiction of the law, eliminating the primary financial streams that fair housing organizations rely on to survive.

NFHA and MFHC allege that unless the court vacates these NOFO guidelines, local groups nationwide will face immediate closure or severe downsizing, leaving people with drastically fewer resources to report and combat illegal housing discrimination.

The lawsuit claims that HUD's new directives violate the Administrative Procedure Act by implementing arbitrary, capricious, and unlawful structural changes without justification. Historically, FHIP allocations disbursed over 100 localized community grants ranging from $75,000 to $425,000. Instead, the FY2025 NOFO consolidates $46 million of its $56 million total budget into just five hyper-inflated grants. This includes single multimillion-dollar grants to outside institutions like law schools and state agencies, the latter of which are traditionally funded through a separate federal program.

Local enforcement organizations like MFHC that rely on expiring Private Enforcement Initiative (PEI) or Education and Outreach Initiative (EOI) grants are explicitly locked out of applying for the newly scaled awards due to restrictive eligibility requirements.

NFHA and MFHC allege that unless the court vacates these NOFO guidelines, local groups nationwide will face immediate closure or severe downsizing, leaving people with drastically fewer resources to report and combat illegal housing discrimination. The plaintiffs asked the court to declare the FY2025 and FY2026 NOFOs unlawful, order HUD to vacate the NOFOs and use FHIP funds consistent with the law, order the FY2025 FHIP appropriation to remain available after September 30, 2026, and expeditiously fund second and third years of multi-year FHIP grants.

On August 26, 2026, the district court granted the plaintiffs a temporary restraining order with

18 No. 3:26-cv-30117 (D. Mass. July 23, 2026) (complaint filed).

19 Note that this 2026 Trends Report generally covers data from the 2025 calendar year. Here, we are referencing and citing decisions from 2026 because it is relevant to the overall fair housing updates that we are detailing at this time.

respect to the FY2025 NOFOs.[20] It ordered those NOFOs vacated and instructed HUD to spend FY2025 FHIP funds using the same allocation among FHIP programs that it used in prior years. On September 14, 2026, in response to a motion for reconsideration by HUD, the district court reaffirmed its August 26 order.[21]

### *NATIONAL FAIR HOUSING ALLIANCE V. CONSUMER FINANCIAL PROTECTION BUREAU[22]*

The National Fair Housing Alliance, Rise Economy, BLDS, LLC, and SolasAI sued the Consumer Financial Protection Bureau (CFPB) and its acting director, challenging a final rule issued amending Regulation B, which implements the Equal Credit Opportunity Act (ECOA). The final rule eliminates disparate impact claims under ECOA. According to the plaintiffs' complaint, the rule also dramatically narrows existing prohibitions against discriminatory actions that would discourage prospective applicants from applying for credit and eliminates lending programs, called special purpose credit programs, that have been proven effective in ensuring equal credit opportunity.[23]

The plaintiffs charged that the amended regulation violates the Administrative Procedure Act as both contrary to law and arbitrary and capricious. According to the plaintiffs, the rule is arbitrary and capricious because, among other things, "the CFPB has reversed a longstanding rule on disparate impact without a reasoned explanation, without actual evidence supporting this dramatic departure, without acknowledgment or explanation for the departure from prior factual findings, without adequate consideration of reliance interests, without considering alternatives, and in contravention of available data on the need for and import of disparate impact liability." The plaintiffs have asked the court to vacate the final rule amending the longstanding Regulation B provisions.

### *STATE OF ILLINOIS V. UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT[24]*

Fifteen states and the District of Columbia filed a lawsuit against HUD challenging guidance issued in 2025 for Fair Housing Assistance Programs (FHAP). According to the complaint, the new guidance threatens to decertify state and local FHAP agencies and withhold funding for Fair Housing Act enforcement by FHAP agencies "unless they stop enforcing state and local fair housing protections that exceed those in Defendants' narrow conception of the FHA, including protections for sexual orientation, gender identity or expression, language, criminal records, and source of income." The complaint also alleges that the guidance threatens to withhold funds from FHAP agencies if they promote a series of vague, arbitrary and unlawful conditions, including what HUD referred to as "gender ideology," "elective abortions," or "illegal immigration." The guidance also purports to prohibit FHAP agencies from pursuing claims premised on disparate impact liability, even where the agency's own law allows for disparate impact as a cognizable theory of liability. The plaintiffs allege that the guidance was in excess of HUD's statutory au-

20 No. 3:26-cv-30117 (D. Mass. Aug. 26, 2026) (temporary restraining order granted).

21 No. 3:26-cv-30117 (D. Mass. Sept. 14, 2026) (motion for reconsideration denied).

22 No. 1:26-cv-01820 (D.D.C. May 27, 2026) (complaint filed).

23 National Fair Housing Alliance, Comments on Equal Credit Opportunity Act (Regulation B) Proposed Rule (Dec. 2025), https://nationalfairhousing.org/wp-content/uploads/2025/12/Comments-on-Equal-Credit-Opportunity-Act-Regulation-B-Proposed-Rule.pdf.

24 No. 3:26-cv-02262 (N.D. Cal. Sept. 16, 2026) (settlement announced).

thority and thus in violation of the Administrative Procedure Act and asked the court to vacate HUD's policy and permanently enjoin its enforcement.

The parties agreed to a dismissal without prejudice of the case, with several state attorneys general reporting that HUD confirmed that the FY2025 Guidance was no longer in effect and that HUD would not seek to impose or enforce the conditions challenged in the lawsuit for FY2026 FHAP funding.

## DISABILITY

### *STATE OF ARIZONA V. OLIVE BRANCH ASSISTED LIVING*[25]

Olive Branch Assisted Living and three other defendants will pay an individual plaintiff and the state of Arizona a total of $600,000 under the terms of a settlement resolving claims that they discriminated based on disability by denying the plaintiff housing and retaliating against her. According to the Arizona Attorney General's Office, the defendants disclosed the resident's private medical diagnosis to other residents, causing her emotional distress and humiliation, and subsequently denied her housing in their behavioral health program. The state also alleges that the defendants retaliated against the resident after she filed a complaint with the state Civil Rights Division, including by threatening to sue her into bankruptcy.

In addition to paying the individual plaintiff $585,000, the defendants will pay a $15,000 civil penalty to the State of Arizona. They will implement anti-discrimination policies and train their staff. The state will monitor them for six years.

### *ACCESS LIVING OF METROPOLITAN CHICAGO V. CITY OF CHICAGO*[26]

The City of Chicago agreed to rehabilitate or build 2,800 units of accessible housing under the terms of a landmark settlement resolving a lawsuit filed against it in 2018 by Access Living of Metropolitan Chicago (Access Living).

The City of Chicago receives an average of $100 million each year from HUD, which it uses to provide grants and loans to nonprofit organizations and private developers to build and rehabilitate rental housing, including affordable housing. Access Living is the Independent Living Center for Chicago that provides a range of services for people with disabilities. Access Living sued the city under the Americans with Disabilities Act, Section 504 of the Rehabilitation Act and the Fair Housing Act alleging that it violated the law by failing to ensure that the City's affordable housing program is accessible to people with disabilities and by failing to enforce federal accessibility requirements against recipients of federal funds through the city. In the lawsuit, Access Living alleged that for more than thirty years the City had funded and developed tens of thousands of affordable rental housing units without ensuring that a sufficient number were accessible to people with disabilities.

Of the 2,800 units that the city will rehabilitate or construct, 2,000 must be accessible to people with mobility impairments and 800 must be accessible to people with hearing and vision disabilities. In addition, 250 units will be affordable to households at or below 30 percent of the area

25 No. CV2025-00518 (Ariz. Super. Ct. Maricopa Cnty. May 27, 2026) (consent order filed).

26 No. 1:18-cv-03399 (N.D. Ill. May 20, 2026) (settlement announced).

median income and 250 units will be available to households at or below 50 percent of the area median income. The city will also pay Access Living $2,250,000 in damages and the plaintiff will file a motion for attorneys' fees and costs.

### *FAIR HOUSING JUSTICE CENTER V. MCDONALD*[27]

The Fair Housing Justice Center (FHJC) and the New York State Department of Health (DOH) entered into a partial settlement resolving claims that state regulations and policies discriminated based on disability where they allowed facilities for older adults to deny residency to people who use a wheelchair or who have other mobility limitations.

FHJC sued DOH, its director, the State of New York, and four other defendants in 2018, alleging that the regulations and policies violated the Fair Housing Act, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and the Affordable Care Act.

In 2023, DOH issued revised admission and retention regulations that clarified facilities' obligations to provide reasonable accommodations that would allow people with disabilities to be admitted to or to remain in adult care facilities. DOH also issued guidance drafted by the FHJC to all facilities, held a webinar, and published an FAQ to educate facilities about their obligations under the revised regulations.

In November 2025, the court entered a stipulation of partial settlement and order approving a three-year settlement. Under the terms of the settlement, DOH is required to maintain the regulatory changes and public guidance and training materials that it implemented in 2023. DOH employees will receive fair housing training and DOH will develop a video to educate New Yorkers about their rights. DOH will also pay $1.6 million in attorneys' fees and costs.

## LENDING

### *EMIGRANT MORTGAGE COMPANY ET AL. V. SAINT-JEAN*[28]

In a major victory for Black and Latino homeowners, the Supreme Court denied certiorari in Saint-Jean v. Emigrant Mortgage Company. Eight Black and Latino homeowners in New York City sued Emigrant Mortgage Company and Emigrant Savings Bank (Emigrant), alleging race discrimination. The plaintiffs were homeowners with significant equity in their homes who applied for refinancing from Emigrant under its STAR NINA program, which allowed borrowers with high equity in their homes to receive a loan without disclosing income or assets and to have lower credit scores. Under the program, if a borrower defaulted, the interest rate would increase to 18 percent. Emigrant targeted the program to borrowers in Black and Latino neighborhoods. The plaintiffs only learned of the targeting of borrowers of color when Emigrant initiated foreclosure proceedings against them in 2009 and they observed other Black borrowers in foreclosure court. Plaintiffs alleged that Emigrant had discriminated against them based on their race and national origin.

Following two jury trials, a trial court entered judgment for the plaintiffs and awarded com-

27 No.18 Civ. 3196 (S.D.N.Y. Nov. 12, 2025) (settlement announced).

28 No. 25-229 (U.S. Jan. 12, 2026) (cert. denied).

pensatory damages in 2019. The Second Circuit affirmed. The plaintiffs will now receive the $722,000 in compensatory damages awarded by the district court plus post-judgment interest.

## RACE

### *COMMONWEALTH OF VIRGINIA V. MERRYMAN*[29]

The Virginia Office of the Attorney General (OAG) has secured a landmark $2.25 million fair housing settlement against Newport News and Norfolk landlord David Merryman. The consent decree resolves a fair housing lawsuit filed by the state in 2021. Merryman, who harassed women and men based on race, sex, and sexual orientation, is already serving a 17-year federal prison sentence for wire fraud, identity theft, and race-based housing interference.

The state's investigation revealed systemic fair housing violations. For years, Merryman subjected his tenants to graphic racist, sexist, and homophobic slurs. He routinely refused to complete basic property repairs, threatened vulnerable tenants with physical violence, and filed retaliatory evictions against tenants who requested repairs.

The $2.25 million monetary settlement will compensate his former tenants. The settlement provides that Merryman is forever banned from operating as a landlord in Virginia. He must sell all his remaining rental properties within one year. The decree also requires the removal of eviction filings and judgments from his tenants' public records. Merryman admitted liability as part of the settlement.

## SOURCE OF INCOME

### *LUCINDA LLC V. JONES*[30]

A Virginia federal district court denied a preliminary injunction for a landlord and property manager challenging the state's fair housing law barring source of income discrimination. Lucinda LLC and its property manager, June Wheatley, sued Jay Jones and other Virginia officials to challenge the requirement that private housing providers accept Housing Choice Vouchers. The plaintiffs contended that the law violates the Fourth Amendment and the Supremacy Clause by compelling participation in a voluntary federal program and coercing landlords into warrantless inspections. The lawsuit followed an administrative discrimination complaint filed by a housing nonprofit organization after the property manager informed a housing tester that the building did not participate in the Housing Choice Voucher program. In denying the plaintiffs' motion for a preliminary injunction, the district court found that the plaintiffs were not likely to succeed on the merits. The court found that abstention was appropriate, the plaintiffs' Fourth Amendment claim was not ripe, and their preemption claim was unlikely to succeed on the merits. The court explained that the Virginia Fair Housing Law prohibiting voucher discrimination does not appear to conflict with the Fourth Amendment because "a landlord who refuses to rent to a Section 8 voucher holder on the basis of the landlord's Fourth Amendment objection to the HAP contracts' search requirements can make at least a colorable claim that they do not discriminate

29 No. CL21-04727B-00 (Va. Cir. Ct. Newport News July 15, 2026) (consent decree filed).

30 No. 1:26-cv-00252 (E.D. Va. Apr. 10, 2026) (order on motion for preliminary injunction).

against the voucher holder because of the voucher holder's source of funds." The plaintiffs have since appealed the ruling to the U.S. Court of Appeals for the Fourth Circuit.

### *FAIR HOUSING JUSTICE CENTER V. FAIRSTEAD MGT. LLC*[31]

The Fair Housing Justice Center (FHJC) resolved a major source of income discrimination lawsuit for $540,000 with Bohemia Realty Group LLC, Fairstead Management LLC, Coltown Properties LLC, and Beach Lane Management, Inc.

The legal action stemmed from an FHJC testing investigation. Testers posing as renters inquired about available apartment listings. The investigation showed that agents actively turned away or ignored applicants who intended to use housing choice vouchers to pay rent.

The settlement mandates injunctive and systemic relief alongside the monetary payout. To ensure compliance with local and state civil rights laws, the real estate and management firms must implement strictly neutral screening policies for all prospective tenants. The settlement requires the defendants to provide fair housing training for all employees, independent contractors, and agents. Defendants must display equal housing opportunity logos or clear fair housing language on all public advertisements and preserve specific housing records to verify compliance with the settlement terms.

### *PEOPLE V. COMMONS WEST, LLC*[32]

A New York state appellate court affirmed that a state fair housing provision mandating landlord participation in the federal Housing Choice Voucher (HCV) program is facially unconstitutional. The Office of the New York Attorney General sued Commons West, LLC and other landlords for violating the New York State Human Rights Law by refusing to rent to applicants using HCV vouchers. The landlords filed counterclaims, contending that the state's source-of-income anti-discrimination statute effectively forces private housing providers into federal contracts. They argued this mandate violates their Fourth Amendment rights by indirectly compelling them to consent to warrantless government inspections of their properties and business records as a condition of the program. The intermediate appellate court unanimously agreed with the lower court's ruling, holding the law unconstitutional to the extent that it coerces participation in the voucher program. The Attorney General has appealed the ruling to the New York Court of Appeals.

### *FAIR HOUSING JUSTICE CENTER V. BEAUDOIN REALTY GROUP, INC.*[33]

The Fair Housing Justice Center secured a substantial $303,800 settlement resolving a lawsuit that alleged systemic source of income discrimination at a Queens apartment building. The settlement concludes a lawsuit against Beaudoin Realty Group, Inc., its licensed brokers, and the property owner, Westleigh Co. LLC.

The case originated from a comprehensive testing investigation conducted by the FHJC in late 2021. According to the complaint, testers posing as renters with identical credit profiles con-

31 No. 952363/2023 (N.Y. Sup. Ct. N.Y. Cnty. Apr. 20, 2026) (settlement agreement filed).

32 254 N.Y.S.3d 276 (N.Y. App. Div. Mar. 5, 2026).

33 No. 709283/2022 (N.Y. Sup. Ct. Queens Cnty. Jan. 26, 2026) (settlement agreement filed).

tacted the brokerage to inquire about an available unit. Testers relying on employment income were met with immediate enthusiasm and application support. Conversely, testers disclosing their intent to use Housing Choice Vouchers (Section 8) faced severe resistance, unreturned messages, and overt hostility, despite the voucher meeting all building requirements for tenancy.

Under the terms of the consent decree, the real estate group and owner must implement strictly neutral policies for all rental applicants, provide fair housing training focused heavily on source-of-income laws for all employees and independent contractors, incorporate equal housing opportunity logos and language across all future property listings, and retain compliance records.

### *DISTRICT OF COLUMBIA V. PETRA MANAGEMENT GROUP, LLC*[34]

Petra Management Group, LLC and Rashid Salem, the management and the owner of three Washington, D.C. apartment complexes, have agreed to pay the District of Columbia a total of $700,000 under the terms of a settlement resolving claims that they violated D.C. law by discriminating against prospective tenants without rent subsidies.

District of Columbia law has a rent control provision; however, the law exempts apartment units from rent control requirements when they are leased to tenants with government-funded housing vouchers. According to the Office of the District of Columbia Attorney General, Petra rents units exclusively to voucher holders to avoid rent control and charges higher rents than it could charge renters who make too much to qualify for subsidies. The Office of the Attorney General sued Petra and Salem, alleging that their practice of only renting to applicants with housing vouchers discriminates based on source of income in violation of the D.C. Human Rights Act. The Office of the Attorney General also alleged that the defendants engaged in unfair or deceptive trade practices in connection with the rental of units in violation of the D.C. Consumer Protection Procedures Act.

In addition to the monetary payment, the defendants have agreed that they will not engage in any practice that violates the D.C. Human Rights Act or the Consumer Protection Procedures Act and that they will maintain policies and procedures related to advertising and rental leasing in compliance with the law. They will submit compliance reports to the Office of the Attorney General for three years, and their staff will participate in fair housing training.

34 No. 2025-CAB-000541 (D.C. Super. Ct. Oct. 16, 2025) (settlement announced).

# **Section III:** AI & Fair Housing 2025: The Year of Institutional Adoption and Deregulation

The past year was characterized by the increasing integration of artificial intelligence (AI) services, products, and infrastructure into the fabric of the American economy, regulatory system, and public life more broadly. In particular, the federal government's posture towards AI adoption was one of hyperscaling and massive inclusion: integrating the technology into the federal agencies' processes and setting public priority towards significant investment, development, and deployment of AI and AI infrastructure established through America's AI Action Plan.[35] NFHA has tracked the implications of these developments across housing, lending, and the homeowner and rental insurance marketplace.

## Public AI Use at Federal Housing Agencies

NFHA tracked how federal housing agencies and government-sponsored enterprises use AI in housing finance. The review covered HUD and Ginnie Mae; the Government-Sponsored Enterprises Fannie Mae and Freddie Mac (GSEs); and the Federal Housing Finance Agency (FHFA). These new technologies have been deployed across underwriting, valuation, fraud detection, and administrative rulemaking.

HUD issued an AI Strategy and AI Compliance Plan in 2025 and, in its September 2025 maturity assessment, rated itself "foundational" in four competency areas of AI: 1) enabling infrastructure; 2) data; 3) AI-ready workforce; and 4) resource tracking and planning. The assessment rated two other areas as "developing": research and development (R&D) and governance and risk management (GRM).[36] These maturity ratings—foundational, developing, and advanced—reflect a progression from early, ad hoc exploration of AI capabilities, to structured pilots and repeatable processes, to enterprise-wide AI integration supported by scalable infrastructure, coordinated governance, and strategic alignment. Through the first two years of this Administration, HUD's self-reported deployed tools were generally modest, focused largely on chatbot-based applications for handling FAQs from internal staff and external users.

Notably, HUD also became a focus of AI-enabled deregulatory efforts. Personnel affiliated with the Department of Government Efficiency (DOGE) pitched SweetREX to HUD as a tool designed to accelerate the review and revision of federal regulations.[37] According to reported estimates, SweetREX could analyze more than 100,000 public comments in about 2.4 hours, compared

35 The White House, "White House Unveils America's AI Action Plan" (July 23, 2025), https://www.whitehouse.gov/releases/2025/07/white-house-unveils-americas-ai-action-plan/.

36 U.S. Department of Housing and Urban Development, AI@HUD (accessed Sept. 28, 2026), https://www.hud.gov/ai; HUD, HUD AI Strategy (Sept. 2025), https://www.hud.gov/sites/dfiles/Main/documents/HUD-AI-Strategy.pdf; HUD, AI Use Case Inventory (accessed Sept. 28, 2026), https://www.hud.gov/ai.

37 Matt Bracken, "DOGE Pitched AI-Fueled 'Regulation Extermination' Tool to HUD," FedScoop, May 11, 2026, https://fedscoop.com/doge-pitched-ai-fueled-regulation-extermination-tool-to-hud/; David Gilbert et al., "DOGE Put a College Student in Charge of Using AI to Rewrite Regulations," Wired, Apr. 30, 2025, https://www.wired.com/story/doge-college-student-ai-rewrite-regulations-deregulation/.

with roughly 36 hours of review by legal and policy teams, and recommend whether to "keep," "delete," or "partially delete" each regulation, with staff required to justify in writing any disagreement with the model's recommendation.[38] It remains unclear whether HUD adopted deregulation recommended by SweetREX. If it did, the agency has not publicly disclosed the tool's operational scope, limitations, failures, or outcomes. That lack of transparency is central to a lawsuit filed by Democracy Forward seeking to compel four federal agencies to comply with public records laws and disclose documents concerning the use of artificial intelligence to advance the Trump Administration's deregulatory agenda.[39]

FHFA both uses AI and governs the Government Sponsored Enterprises' (Fannie Mae and Freddie Mac) use of it. It maintains its own use-case inventory, issued an AI Compliance Plan in 2025, and directed the Enterprises to strengthen AI risk management.[40] At the same time, however, FHFA removed much of the fair-lending oversight that governs how these tools may be monitored and used. In a report released in December 2025, GAO found that lenders rely heavily on the AI-driven property-technology systems supplied by Fannie Mae and Freddie Mac, and that FHFA had changed its examination approach, waived components of its fair-lending rule, and rescinded related guidance without communicating revised compliance expectations to the Government Sponsored Enterprises. GAO recommended that FHFA issue written directions clarifying how the Enterprises are to comply with fair-lending requirements.[41]

Across the federal institutions, the maturity of AI integration varies, but the direction of travel is consistent: AI is moving from back-office support into core housing-finance functions with direct fair housing implications. Ginnie Mae's use appears more operational, including a machine-learning tool that flags data outliers and anomalies in transactional reporting to reduce manual correction. Fannie Mae has the longest production history with AI among the institutions reviewed and expanded its use into fraud detection through a Crime Detection Unit built on Palantir technology, initially launched in its multifamily business to monitor millions of data points for anomalous transactions.[42] While Fannie Mae and Freddie Mac have used AI, such as automated underwriting systems, for decades, they began incorporating machine learning into their operations around 2018, starting with property valuation tools, an area that bears directly on fair housing because automated valuation tools can reproduce or amplify appraisal bias.[43] Taken together, these developments show why NFHA continues monitoring not only whether federal housing agencies use AI, but how those systems are governed, tested, and held accountable.

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38 Andrew Couts, "A DOGE AI Tool Called SweetREX Is Coming to Slash US Government Regulation," Wired, Aug. 14, 2025, https://www.wired.com/story/sweetrex-deregulation-ai-us-government-regulation-doge/.

39 Complaint for Injunctive Relief, Democracy Forward Foundation v. U.S. General Services Administration, No. 1:25-cv-03517 (D.D.C. filed Oct. 1, 2025), https://democracyforward.org/wp-content/uploads/2025/12/Compl-AI-de-reg.pdf; Democracy Forward, "New Democracy Forward Lawsuit: Trump-Vance Administration Cannot Hide Documents About AI Use in Dismantling Existing Federal Regulations that Protect People" (Oct. 1, 2025), https://democracyforward.org/news/press-releases/ai-deregulation/.

40 Federal Housing Finance Agency, AI Use Case Inventory (accessed Sept. 28, 2026), https://www.fhfa.gov/data/artificial-intelligence-use-case-inventory; FHFA, 2025 AI Compliance Plan, https://www.fhfa.gov/reports/fhfa-ai-compliance-plan/2025; FHFA, 2025 Scorecard, https://www.fhfa.gov/news/news-release/fhfa-releases-2025-scorecard-for-fannie-mae-freddie-mac-and-common-securitization-solutions; FHFA, Advisory Bulletin AB 2022-02 (rev. May 2025); see Harris Beach Murtha, "Fannie Mae and Freddie Mac Set New AI Standards for Mortgage Lenders" (accessed Sept. 28, 2026), https://www.harrisbeachmurtha.com/insights/fannie-mae-and-freddie-mac-set-new-ai-standards-for-mortgage-lenders/.

41 U.S. Government Accountability Office, Property Technology for Homebuying: Products Present Benefits and Risks Amid Evolving Federal Oversight, GAO-25-107201 (publicly released Dec. 1, 2025), https://www.gao.gov/products/gao-25-107201.

42 Fannie Mae, "Fannie Mae Launches AI Fraud Detection Technology Partnership with Palantir" (May 28, 2025), https://www.fanniemae.com/newsroom/fannie-mae-news/fannie-mae-launches-ai-fraud-detection-technology-partnership-palantir.

43 FHFA Office of Inspector General, Enterprise Use of Artificial Intelligence and Machine Learning, WPR-2022-002 (2022), https://www.fhfaoig.gov/sites/default/files/WPR-2022-002.pdf.

## AI Adoption by Real Estate Professionals

Real estate professionals are continuing to integrate AI into their workflows at an increasingly fast rate. According to a National Association of REALTORS® (NAR) 2025 Technology Survey, 69 percent of agents reported using AI in some capacity with 20 percent using it daily, 22 percent using it weekly, and approximately 27 percent using it a few times per month. The tools used are primarily general-purpose consumer models rather than housing-specific systems as 58 percent named ChatGPT, followed by Google's Gemini (20 percent) and Microsoft's Copilot (15 percent).[44]

Adoption was broad but largely shallow in effect. Only 17 percent of agents reported that AI had a significantly positive impact on their business and 33 percent a moderately positive one, while 46 percent saw no noticeable impact. Some agents cited saving time and improving the client experience as their main reasons for adopting technology.[45] The most common generative AI use case was content generation with 46 percent of agents reporting using AI to produce material such as listing descriptions, placing AI within the marketing and advertising functions of the transaction. These are the functions addressed by the advertising-focused fair housing bills described below, where AI-generated listing copy and algorithmic ad targeting carry risks of discriminatory language, steering, and unequal access.

## AI in Property Insurance

AI-driven underwriting has become prevalent in the homeowner insurance market, where more than 70 percent of home insurers reported that they were using, developing, or exploring AI and machine-learning systems, according to research conducted in 2023 through the National Association of Insurance Commissioners (NAIC).[46] The most visible use is aerial-imagery analysis, in which insurers score roof condition, vegetation, and other property characteristics from satellite, drone, and aircraft photos and then act on those scores, at times issuing non-renewal notices without any physical inspection. In Texas, reporting confirmed that insurers commonly use aerial images and AI to decide whether to keep insuring homes. The rate at which insurers declined to renew homeowner policies nearly doubled between 2020 and 2023 as the adoption of AI-assisted screening expanded.[47]

Massachusetts regulators cautioned that cosmetic roof conditions visible from aerial photographs should not by themselves justify cancellation or non-renewal, and proposed California legislation would require insurers to notify homeowners that aerial images may be used, provide those images on request, and allow policyholders to dispute them or demonstrate remediation before a coverage decision takes effect.[48] This raises fair housing concerns about the accuracy

44 NAR, 2025 Technology Survey (Sept. 18, 2025), https://www.nar.realtor/research-and-statistics/research-reports/realtor-technology-survey.

45 NAR, 2025 Technology Survey.

46 National Association of Insurance Commissioners, Insurance Topics: Artificial Intelligence (accessed Sept. 28, 2026), https://content.naic.org/insurance-topics/artificial-intelligence.

47 NPR, "Insurance Companies Using Aerial Imagery to Determine If They'll Renew Home Coverage," May 28, 2025, https://www.npr.org/2025/05/28/nx-s1-5400372/insurance-companies-using-aerial-imagery-to-determine-if-theyll-renew-home-coverage.

48 Massachusetts Division of Insurance, Bulletin 2025-02, Underwriting Actions Based on the Use of Aerial Imaging (Apr. 30, 2025), https://www.mass.gov/doc/bulletin-2025-02-underwriting-actions-based-on-the-use-of-aerial-imaging-issued-april-30-2025/download; Cal. A.B. 75, https://legiscan.com/CA/text/AB75/id/3033835.

and availability of these tools. Opaque image-based scoring could support coverage and pricing decisions that may fall unevenly across communities and offer homeowners little visibility into the basis for an adverse action.

> For many communities throughout the country, AI is no longer just in the cloud. Data centers are being built next to critical community resources such as homes, schools, and public parks—drawing on the same electricity that homeowners and renters depend on to survive.

## AI Infrastructure

In July 2025, Executive Order 14318, "Accelerating Federal Permitting of Data Center Infrastructure," was issued to streamline the infrastructure rollout underlying the U.S. government's strategy on AI. In keeping up with anticipated computing, water and energy needs, municipalities saw prospective builders propose the construction of centers and associated energy sources all over the country.

For many communities throughout the country, AI is no longer just in the cloud. Data centers are being built next to critical community resources such as homes, schools, and public parks—drawing on the same electricity that homeowners and renters depend on to survive. Take the so-called "data center capital of the world," Loudoun County, Virginia, for example, home to more than 250 data centers. The rapid buildout of data centers has made it one of the wealthiest counties in the country with $1.1 billion in tax revenue generated.[49] But these resource-dependent facilities have also become a flashpoint in the community. Land now trades at $3 to $4 million an acre, which means a developer can outbid anyone who wants to build or maintain housing there.

Residents of cities and counties with proposed data centers have increasingly begun to organize around these concerns. That advocacy led more policymakers to adopt data center moratoriums as a policy intervention. Data center moratoriums were enacted in hundreds of municipalities across the United States, at both the local and county level.[50] While these restrictions on data centers varied in length from temporary measures such as 90-day periods, to a year, and even permanent bans, localities across the country continued to grapple with how to situate the potential harms to residents amidst prospective benefits.

## AI Incidents

Publicly reported AI incidents in housing and lending clustered around AI-enabled financial fraud schemes such as deepfakes and AI-generated content, as well as misrepresented advertising.[51] Federal complaint data captured the scale: the FBI's Internet Crime Complaint Center received 12,368 real estate fraud complaints in 2025, up from 9,359 in 2024, with reported losses climbing to $275 million, up from $173 million. The FBI first tracked AI-related scams in 2025, recording 115 real estate fraud complaints that referenced AI and totaling nearly $2.7 million in

49 New York Times, "A County Got Rich From Data Centers. Some Question 'At What Cost?'," Aug. 19, 2026, https://www.nytimes.com/2026/08/19/technology/data-centers-backlash-loudoun-virginia.html.

50 Interconnected Capital, "US Data Center Moratorium Tracker — 2026" (accessed Sept. 28, 2026), https://www.interconnectedcapital.com/research/data-center-moratoriums.

51 AI Incident Database (accessed Sept. 28, 2026), https://incidentdatabase.ai/.

associated losses.[52]

Consumer-facing risks also appeared in listings.[53] In November 2025, the New York Department of State warned homebuyers and real estate professionals about AI-generated images in property listings, ranging from agents using AI to enhance photos of real properties to scammers generating images of properties that do not exist in order to collect deposits.[54]

## AI Policy

In 2025, we continued to see increased legislative activity surrounding AI with 1,262 AI-related bills introduced at the state level alone, according to the National Conference of State Legislatures (NCSL).[55] Virtually every state and several territories introduced at least one AI bill. Of those bills, only 35 became law in the following states and territories:

- California
- Delaware
- Georgia
- Hawaii
- Indiana
- Kentucky
- Louisiana
- Montana
- New Jersey
- New Mexico
- Puerto Rico
- Rhode Island
- Texas
- Washington

Fifteen bills related to AI infrastructure were introduced in seven states: Colorado, Connecticut, Indiana, Massachusetts, Minnesota, New Jersey, and Pennsylvania. The content of these bills centered on launching studies of what impact AI data centers may have on surrounding electricity rates and water use,[56] grid capacity,[57] and keeping consumers insulated from rising utility costs.[58]

AI bills related to fair housing and lending largely focused on AI as an advertising tool, mandating disclosure of use of AI in housing transactions and processes to consumers,[59] mandatory testing of housing AI tools,[60] and limiting personalized advertising.[61] New York enacted S.7882 in October 2025, which barred residential landlords from using pricing algorithms to set rents.[62]

52 FBI Internet Crime Complaint Center, 2025 Internet Crime Report, at 41–42, https://www.fbi.gov/file-repository/2025_ic3report.pdf/view.

53 Li Lin, "GAI-Enabled Real Estate Fraud Schemes: Risks, Prevention and Regulations," 29 J. Tech. L. & Pol'y (2025), at 104, https://scholarship.law.ufl.edu/cgi/viewcontent.cgi?article=1244&context=jtlp.

54 New York Department of State, "New York Department of State Issues New Trend Alert Warning Homebuyers of A.I. Generated Home Listings" (Nov. 13, 2025), https://apps.cio.ny.gov/apps/mediacontact/public/view.cfm?parm=EBC83D37-EA70-CE93-3E596A7DF20C5D6A.

55 National Conference of State Legislatures, Artificial Intelligence Legislation Database (accessed Sept. 28, 2026), https://www.ncsl.org/financial-services/artificial-intelligence-legislation-database.

56 N.J. A.B. 5892 (2024), https://legiscan.com/NJ/bill/A5892/2024; Conn. S.B. 1292 (2025), https://legiscan.com/CT/bill/SB01292/2025.

57 Mass. H. 83 (194th Gen. Ct.), https://malegislature.gov/Bills/194/H83; Minnesota House Public Information Services, "Data Centers See Changes in Environmental and Energy Regulations, Tax Provisions" (2025 Spec. Sess., ch. 12) (accessed Sept. 28, 2026), https://www.house.mn.gov/NewLaws/story/2025/5641.

58 Ind. S.B. 83 (2026), https://iga.in.gov/legislative/2026/bills/senate/83/details.

59 Ind. S.B. 83.

60 N.Y. A.B. 9028 (2025), https://legiscan.com/NY/bill/A09028/2025.

61 N.Y. A.B. 8916 (2025) (introduced July 16, 2025), https://www.nysenate.gov/legislation/bills/2025/A8916.

62 N.Y. S.B. 7882 (2025), https://legiscan.com/NY/bill/S07882/2025.

The 119th Congress introduced dozens of AI bills in 2025, from civil rights guardrails on algorithmic lending to sandboxes that would let banks test AI outside the rules, which NFHA opposes. Congress ultimately enacted a single statute covering nonconsensual intimate images.[63] Until Congress acts, enforcement of algorithmic housing and lending discrimination will rely on hard-won civil rights laws whose protections extend to the actions of algorithms and artificial intelligence.

63 Brennan Center for Justice, Artificial Intelligence Legislation Tracker (accessed Sept. 28, 2026), https://www.brennancenter.org/our-work/research-reports/artificial-intelligence-legislation-tracker.

# **Section IV:** Policy Recommendations

The nation's fair and affordable housing crisis continues to impact millions of people in the U.S. Housing is fundamental to the American Dream and recent elections have shown us that people want elected leaders to quickly implement solutions to ensure they can fairly access opportunity and share in the nation's prosperity. Yet the actions of the Trump Administration have caused chaos, fear, insecurity, dysfunction, and rising prices around the country. Instead of providing everyday people with practical solutions, the Administration is removing rungs on the ladder of opportunity and directly attacking foundational fair housing rights and other important civil rights.

> The historic 21st Century ROAD to Housing Act, which became law despite President Trump refusing to sign it, demonstrates what is possible when elected officials work together to address the top concern of the people of America. The ROAD to Housing Act should serve as a starting point to addressing the fair and affordable housing crisis.

From July 2025 to July 2026, increased housing costs represented about 40 percent of the overall increase in prices facing U.S. consumers.[64] The historic 21st Century ROAD to Housing Act, which became law despite President Trump refusing to sign it,[65] demonstrates what is possible when elected officials work together to address the top concern of the people of America. The ROAD to Housing Act should serve as a starting point to addressing the fair and affordable housing crisis. Lawmakers must ensure the Trump Administration implements the law while building on this momentum to deliver additional legislative solutions to the country's housing crisis. At the same time, Congress must hold the Administration accountable for its rollback of vital civil rights protections and decimation of the nation's fair housing and lending enforcement capacity at HUD, DOJ, Consumer Financial Protection Bureau (CFPB), and FHFA. Congress must also meet this moment of increased AI adoption with urgency, ensuring appropriate guardrails for AI systems in housing and lending and that data centers do not adversely and disproportionately impact underserved communities making them more susceptible to harm.

The National Fair Housing Alliance advocates for a fair and affordable housing policy that enables the people of America to live and thrive in vibrant and inclusive communities while also sharing in the nation's prosperity. These are key recommendations to achieve it.

64 USAFacts, "What Are the Biggest Drivers of Inflation in the Past Year?" (analysis of Bureau of Labor Statistics data, updated Aug. 13, 2026), https://usafacts.org/answers/what-are-the-biggest-drivers-of-inflation-in-the-past-year/country/united-states/.

65 NPR, "Largest Housing Affordability Bill in Decades Becomes Law Without Trump's Signature," July 10, 2026, https://www.npr.org/2026/07/10/nxs1-5885027/housing-bill-without-trump-signature.

## 1. Congress and the Administration Must Fully Fund Local Fair Housing Enforcement and Conduct Oversight of Key Fair Housing Agencies

Year after year, private, local, nonprofit Fair Housing Organizations (FHOs) process the vast majority of all housing discrimination complaints in our country. While some high-profile cases of housing discrimination garner media attention, private fair housing organizations continue to serve on the frontlines guiding families impacted by unlawful discrimination to seek the appropriate remedy to their harms. Despite their value, community-based FHOs are subject to the whims of the appropriations process and have yet to receive the full funding Congress appropriated for their critical work. In order for these vital organizations to build necessary infrastructure and ensure victims of housing discrimination can find appropriate recourse, Congress must appropriate $125 million to support the Fair Housing Initiatives Program (FHIP) in the FY2027 appropriations bills. FHIP is the primary funding mechanism for FHOs and has had strong bipartisan support since its inception in 1987 during the Reagan Administration.

FHOs are facing unprecedented funding shortfalls due to unlawful funding changes implemented by HUD that were not authorized by Congress.[66] Congress created the FHIP program in 1987 to fund community-based, private fair housing organizations to carry out the purpose of the landmark Fair Housing Act of 1968 and ensure equal housing opportunity for all people and communities. For the nearly four decades since the FHIP program was established, the resulting network of community-based fair housing organizations has worked tirelessly to ensure that all people can obtain and maintain the housing of their choice free from discrimination. Instead of allowing that work to continue, HUD is now channeling FHIP funds to a few favored entities, including large law schools, that will promote the Administration's policy preferences rather than Congress' intent to prevent and remedy the very real housing discrimination millions in our country suffer every year.[67]

While HUD refused to share data on the housing complaints processed by state and local governments that receive funding through the Fair Housing Assistance Program (FHAP), these agencies play a critical role in managing, investigating, and remedying fair housing cases. FHAPs must maintain resources and staff to keep up with automated systems and AI models saturating the housing system, often injecting bias. These agencies also require adequate funding to mitigate a growing backlog of complaints and provide much-needed training for their employees. FHAPs play an important role in the charging and closure of cases, as HUD refers complaints that originate in cities or states with a FHAP in the region to the respective agency for further processing. Congress must appropriate $36.6 million to support the Fair Housing Assistance Program.

Due to drastic cuts by the Trump Administration, HUD's FHEO staffing is grossly under-resourced, leaving the division without the required personnel to conduct its important oversight function. FHEO was already insufficiently staffed before HUD's devastating cuts. Increased support is

66 National Fair Housing Alliance, "Community-Based Groups Ask Court to Halt HUD Funding Directive that Threatens to Close or Gut More than 100 Local, Nonprofit Fair Housing Organizations Nationwide" (July 23, 2026), https://nationalfairhousing.org/lawsuit-to-halt-hud-fhip-decision/.

67 Complaint for Declaratory and Injunctive Relief, Massachusetts Fair Housing Center v. U.S. Department of Housing and Urban Development, No. 3:26-cv-30117 (D. Mass. filed July 23, 2026), https://nationalfairhousing.org/wp-content/uploads/2026/07/FHIP-III-Complaint.pdf.

needed to enable FHEO to effectively provide oversight of HUD's crucial fair housing programs, provide technical assistance to HUD grantees, investigate claims of housing discrimination in a timely manner, and draft policies to fulfill the Fair Housing Act. Congress must appropriate $153 million to FHEO.

In addition to ensuring funding for fair housing, Congress must do more to conduct appropriate oversight of key fair housing agencies to ensure housing opportunities for all. The Trump Administration has eviscerated fair housing and fair lending enforcement at key federal agencies, including HUD,[68] DOJ,[69] CFPB,[70] FHFA,[71] and the Federal Trade Commission.[72] Congress can conduct investigations and issue subpoenas, use the appropriations process, use the nomination and confirmation process, pass legislation, hold oversight or field hearings, request investigations by the Government Accountability Office, meet with agency heads, and write letters to the agencies requesting explanations for actions that harm the people of America. Congress should not stand idly by while the Trump Administration guts important protections during our nation's escalating fair and affordable housing crisis.

## 2. Congress and the Administration Must Ensure Robust ROAD to Housing Act Implementation, Including a Public Appraisal Database Study, a Right to Reconsideration of Value, and a Small Dollar Mortgages Pilot

NFHA has long called for Congress to pass comprehensive legislation to promote fair and affordable housing opportunities for all. Congress' passage of the bipartisan ROAD to Housing Act is an historic first step toward that need. NFHA acknowledges the arduous work of the four corners of congressional housing leadership of the Senate Banking Committee and House Financial Services Committee in passing the ROAD Act. With over 5 million[73] affordable units needed nationwide and 24 percent of homeowners and 49 percent of renters spending more than 30 percent of their income on housing,[74] the affordable housing crisis is the defining financial burden facing the people of America today. The passage of this act is an initial step in increasing the supply of safe and affordable housing units.

However, the legislation's success will depend greatly on HUD, which is responsible for 70 percent of the law,  and other agencies' ability and willingness to effectively implement key provisions of the bill and provide much-needed regulatory guidance, support, and technical assistance to private industry, nonprofit groups, and local governments who will bear the brunt of

68 Elizabeth A. Harris, "Fair Housing Groups Sue HUD Over Funding Changes," New York Times, July 23, 2026, https://www.nytimes.com/2026/07/23/realestate/fair-housing-lawsuit-funding-hud.html.

69 Washington Post, "Justice Dept. Kills Long-Time Tool Used to Prove Racial Discrimination," Dec. 9, 2025, https://www.washingtonpost.com/national-security/2025/12/09/trump-disparate-impact-justice-discrimination/.

70 Associated Press, "Fair Housing Groups File Lawsuit Arguing a Federal Rule Change Removes Protections," May 27, 2026, https://apnews.com/article/trump-administration-lawsuit-consumer-financial-protection-bureau-9b04ad13207c49e7273cb22aeec51507.

71 New York Times, "As Trump Pushes Housing Affordability, His Mortgage Chief Undermines It," Jan. 14, 2026, https://www.nytimes.com/2026/01/14/business/economy/housing-pulte-fannie-freddie.html.

72 Reuters, "US FTC Says AI Bias Safeguards May Run Afoul of Consumer Law," July 1, 2026, https://www.reuters.com/legal/government/us-ftc-says-ai-bias-safeguards-may-run-afoul-of-consumer-law-2026-07-01/.

73 Rebecca Orbach & Kristen Klurfield, "What Is Affordable Housing?," Bipartisan Policy Center, July 10, 2026, https://bipartisanpolicy.org/explainer/what-is-affordable-housing/.

74 Joint Center for Housing Studies of Harvard University, The State of the Nation's Housing 2026 (June 17, 2026), https://www.jchs.harvard.edu/sites/default/files/interactive-item/files/Harvard_JCHS_State_of_the_Nations_Housing_2026_Press_Release.pdf.

the work for bringing the law's provisions to fruition. The ROAD Act contains several key NFHA priorities that Congress and the Trump Administration should ensure are fully implemented, including:

- **National Appraisal Database:** A requirement to consider a national publicly available appraisal database to ensure greater transparency in the appraisal process. The U.S. Government Accountability Office (GAO) is required to consult with fair housing and fair lending experts and prepare a report on the feasibility of the database.[75] The Senate Banking Committee and House Financial Services Committee are each required to then hold hearings on the findings of the report and the feasibility of establishing the database. Full implementation of the GAO Report and Congressional hearings, as well as implementation of the national appraisal database are key NFHA priorities to ensure everyone can benefit from homeownership and there is greater transparency into the appraisal and broader home valuation market.
- **Reconsideration of Value:** A requirement that the federal mortgage agencies—Federal Housing Administration, Department of Veterans Affairs, Federal Housing Finance Agency, and U.S. Department of Agriculture—each implement and maintain requirements giving consumers the right to appeal appraisals (also known as a "reconsideration of value") to ensure all homeowners receive the benefits of homeownership.[76] Ensuring these requirements are fully adopted by the agencies and then followed by mortgage lenders is key to ensuring fairness and access in the mortgage market.
- **Small Dollar Mortgage Programs:** An authorization for HUD to establish a pilot program to increase access to small-dollar mortgages ($100,000 or less) including providing assistance with down payments and closing costs and to report to Congress on the program including the demographics of who it serves.[77] Ensuring that this pilot serves all the people of America and provides support for homeowners who need access to small-dollar mortgages is essential to ensuring the benefits of the ROAD Act flow to all communities. The ROAD Act also includes requirements for the CFPB to conduct studies on loan-originator compensation and mortgage points and fees for small-dollar mortgages. These studies must carefully consider potential reforms against the needs of borrowers who need affordable access to small-dollar loans.

## 3. Congress Must Build on the ROAD Act with Additional Legislation to Address the Fair and Affordable Housing Crisis

Mortgage rates increased by nearly 60 basis points between January and August of 2026.[78] Property taxes have risen 15 percent and insurance costs have risen 70 percent in a few short years, leading to increased mortgage escrow shortages.[79] This comes at the same time that the Trump Administration has hurt homebuyers by ending support for effective special purpose

75 Pub. L. No. 119-101, § 704(b).

76 Pub. L. No. 119-101, § 704(a).

77 Pub. L. No. 119-105, § 105.

78 Freddie Mac, Primary Mortgage Market Survey (data for Jan. 15–Aug. 20, 2026) (accessed Sept. 28, 2026), https://www.freddiemac.com/pmms.

79 USA Today, "Escrow Shortages Surge, Another Sign of the Housing Crisis," Apr. 28, 2026, https://www.usatoday.com/story/money/personalfinance/real-estate/2026/04/28/housing-affordability-crisis-taxes-insurance-escrow/89713018007/.

credit programs (SPCPs), which reduced borrowing costs by $82 million for at least 57,282 consumers of all races and helped to generate $17.2 billion in positive economic activity as part of Fannie Mae and Freddie Mac's Equitable Housing Finance Plans.[80]

While the ROAD Act implementation is an important step toward increasing the nation's housing supply, additional action is needed by Congress to comprehensively address the problem. Congress should pass additional legislation to complement and build on the momentum of the ROAD Act to promote fair and affordable housing opportunities for all, including:

- **Downpayment Toward Equity Act** (H.R. 4069/S. 967) – Based on a policy proposal from NFHA and the Center for Responsible Lending, this bill would provide $100 billion in down payment assistance grants to people who are the first in their family to own a home. The legislation would begin to chip away at the nation's racial homeownership and wealth gaps, while also benefiting rural communities historically excluded from homeownership as there are millions of creditworthy consumers who are mortgage-ready but locked out due to the most significant obstacle to fairly entering into homeownership—a lack of a down payment.
- **Neighborhood Homes Investment Act** (H.R. 2854/S. 1686) – The bipartisan Neighborhood Homes Investment Act would stimulate the renovation and development of single-family homes in disrepair for owner-occupancy in communities still reeling from the 2008 financial crisis. It would result in 500,000 new or refurbished homes over the next 10 years. The bill creates a tax credit to cover the gap between the cost of building or renovating homes and the price at which they can be sold. NFHA supports the legislation, but calls for the addition of language that averts the displacement of residents of color and better complies with the Fair Housing Act.

**Congress must also:**

- Increase funding for the Housing Choice Voucher program to enable renters to access well-resourced and thriving communities;
- Reform the Federal Home Loan Bank system to direct substantially more of its net income to fair and affordable housing, with full compliance with the Fair Housing Act's Affirmatively Furthering Fair Housing obligation; and
- Ensure access to affordable, quality property insurance in all communities.

## 4. Federal, State, and Local Governments Must Support Robust Fair Housing and Civil Rights Protection in Housing-Related Automated Systems, Including Artificial Intelligence

Congress and the Trump Administration should take decisive action to ensure that artificial intelligence advances in housing markets do not compromise civil rights or fair housing protections. Specifically, Congress must enact legislation mandating algorithmic fairness audits for

80 National Fair Housing Alliance, "National Fair Housing Alliance Applauds Federal Court Ruling Upholding Washington Special Purpose Credit Program" (Feb. 12, 2026), https://nationalfairhousing.org/national-fair-housing-alliance-applauds-federal-court-ruling-upholding-washington-special-purpose-credit-program/.

all housing-related AI systems—including tenant-screening, underwriting, pricing, appraisal, servicing, and marketing tools—to ensure transparency, accountability, safety, and the prevention of discrimination, including disparate impacts. HUD must establish a federal oversight program that requires disclosure of model features, input data, and performance metrics, as well as mechanisms for human review and consumer appeal for systems used in housing and lending. Additionally, Congress, states, and municipalities must strengthen zoning and environmental review standards for data centers and proptech infrastructure by requiring equity-impact, environmental-justice, and fair housing assessments prior to approval, ensuring that community input and housing affordability are integral to infrastructure development. Finally, Congress and the Administration must adopt a national framework for AI transparency and accountability in housing, modeled on emerging state laws governing automated decision-making systems. Such a framework should codify tenants' and applicants' rights to know when AI is used, to receive clear explanations for algorithm-augmented decisions, and to seek human review or redress when harmed—affirming that innovation in the housing sector must proceed hand in hand with fairness, oversight, and the rule of law.

Congress must also conduct oversight of the Trump Administration's abandonment of disparate impact discrimination enforcement and the appropriate use of unfairness authority under the Fair Housing Act, Equal Credit Opportunity Act, Federal Trade Commission Act, and Dodd-Frank Act by HUD, CFPB, DOJ, FTC, FHFA, and the prudential banking regulators. Disparate impact is the law of the land under appellate and Supreme Court precedent and represents one of the most effective tools for addressing bias in AI systems.



# 2026 FAIR HOUSING TRENDS REPORT

NFHA NATIONAL FAIR HOUSING ALLIANCE

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