

Fair Ways

August 2000

The Newsletter of The Fair Housing Council Of Suburban Philadelphia

FHCSP Settles Lawsuit Against Newtown Square Landlord

In June, the Council settled a federal lawsuit against Woodbrook House Apartments in Newtown Square. In 1993 the Council began receiving complaints against this 78 unit apartment complex from families with children who claimed they were being denied housing. The Council sent testers to the site and discovered that the complex did indeed have a policy of not renting to families with children. The Council filed a complaint at the Pennsylvania Human Relations Commission at that time and eventually reached a settlement where the owners promised that they would follow fair housing laws in the future and offer their apartments to everyone on an equal basis.

In 1996 the Council again began receiving complaints against Woodbrook House Apartments. Now, however, the Council found upon investigation that the complex had a policy of charging a fee if there were more than two tenants in a unit. That fee was \$362 a month per person for each extra person over 2 in a unit. This had the effect of keeping families with children from renting in the complex.

According to census data, about 27% of all apartments in Delaware County are leased to families with children. The Council discovered that only 3 out of 78 of the units at Woodbrook House were rented to families with children – only 4%.

Under the terms of the settlement agreement, Woodbrook House owners must display fair housing posters prominently, send an employee a year for three years to fair housing training, and

pay the Council \$68,500 in damages and fees.

“[The owners] have spent a lot of money dealing with this problem, and that will help these and other landlords realize that discrimination is very expensive,” said Council attorney Clifford Boardman. “Families need a place to live, and just because they can’t afford a home doesn’t mean they shouldn’t live in Newtown Square. Sometimes you have to make that message clear to landlords.”

FHCSP Receives HUD Best Practice Award

The FHCSP was selected in June as one of the fifty best practice award winners from the Office of Fair Housing and Equal Opportunity (FHEO). As one of FHEO’s Best Practices, that Maximize the Use of Comprehensive Fair Housing Education and Outreach, FHCSP is among only 404 organizations and projects across the country now eligible to compete for HUD’s “Best of the Best” award.

The 2000 Best Practices program is revitalizing efforts to demonstrate how HUD programs work and provide technical assistance to those in need. HUD’s staff was asked to identify nearly 1,500 Best Practices that resulted from their monitoring and compliance efforts. Others were nominated based on staff knowledge of Best Practices that should be recognized and replicated across the

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“The Nation’s Oldest Fair
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225 South Chester Road, Suite 1
Swarthmore, PA 19081
(610) 604-4411 Fax (610) 604-4424
e-mail: fhcsp@craftech.com
web site: <http://fhcsp.fairhousing.com>

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For questions or comments regarding this newsletter, please contact the newsletter committee by calling the FHCS office.

FHCS, Inc. is a private non-profit fair housing organization that advocates and works for freedom of residence in Bucks, Chester, Delaware and Montgomery Counties, Pennsylvania.

A copy of the official registration and financial information may be obtained from the Pennsylvania Department of State by calling toll free within Pennsylvania 1-800-732-0999. Registration does not imply endorsement.

(HUD Best Practices: Continued from page 1)

country. Outside partners, industry groups and individuals also nominated programs/projects.

“Our goal is to identify what we call “Best Practices” and share those local success stories with thousands of cities, towns and neighborhoods across the country,” said HUD Secretary Andrew Cuomo. “When we publicly recognize the achievements [of these organizations], not only do we give [them] our highest honor but we’re also helping others see how they, too, can innovate, take the initiative, and use HUD’s programs to their community’s advantage.”

FHCS’s nomination was selected because it has dedicated a large portion of its resources to educating the public, supportive service agencies, public officials, Real Estate Professionals, Government entities, landlords, and advocacy groups about fair housing law. The Council uses this comprehensive approach to take the fight for Fair Housing “to the streets.” The Council is constantly seeking to identify forums through which the Fair Housing message can be spread and to broaden the scope of its educational programs. HUD’s letter of congratulations states that FHCS’s “efforts exemplify what works in Fair Housing and Equal Opportunity, and for that you should be proud.” “We feel tremendously honored to have received this recognition,” stated FHCS Executive Director James Berry. “But these programs and the thousands of people we have been able to train and empower regarding their fair housing rights and responsibilities over the last few years... none of this would ever have occurred without the financial assistance provided by our external partners: The Delaware County Office of Housing & Community Development’s CDBG Program, The Philadelphia Foundation, Connelly Foundation, Bucks County Office of Housing & Community Development’s CDBG Program, Chester Economic Development Authority’s CDBG Program, Union Benevolent Association, Chester County Office of Housing & Community Development’s CDBG Program, and Community Support Corporation.”

Our nomination is currently being reviewed among 403 nominations to determine those 100 “best practices” which will be named the “Best of the Best.” FHCS will be recognized at HUD’s 2nd annual best practices symposium in Washington, DC August 7th through 10th, 2000. The 100 “Best of the Best” will be awarded at this time.

Anderson & FHCS v. HANNA Realty

■ In March 1999 the Council received a complaint from a family with two children. The Andersons had called HANNA Realty in reference to an advertisement for a “spacious 2 bedroom apartment.” However, when the Realtor discovered that they had children, he informed them that he could not rent them the apartment because the owner would not allow children. Testing by FHCS duplicated the Andersons experience. A complaint was filed at the US Department of Housing & Urban Development (HUD) charging familial status discrimination. After negotiation, a Fair Housing Enforcement Agreement was entered into where HANNA Realty admitted to violating the Fair Housing Act, agreed to change it’s business practices and offer housing in a non-discriminatory way, receive training in fair housing law, publish fair housing notices and include the fair housing logo on all advertising, and pay damages to the Andersons in the amount of \$3,000 and to the Council in the amount of \$2,000.

Council Receives Enforcement and Education Grants

Local & National Government Awards:

The Council is pleased to announce that it was recently awarded a **Private Enforcement Initiatives (PEI) grant** by the **U.S. Department of Housing & Urban Development (HUD)** under their Fair Housing Initiatives Program (FHIP). The grant will be used for testing housing providers and mortgage companies throughout the Council's service area for compliance with fair housing laws. With this funding, the Council will continue its partnership with the Disabilities Law Project in our work to enforce disability issues under the Fair Housing Act. The Council will also be working with the Self Determination Housing Project, Friends of the Farmworkers, and La Comunidad Hispana to do major outreach and education to the disabled and Hispanic communities as well as continue our efforts at discovering and providing remedies for fair housing violations.

The Council has also received a grant from the **Delaware County Office of Housing & Community Development (OHCD)** under their Year 2000 **Community Development Block Grant Program (CDBG)**. This funding will be used to continue the Council's education and outreach programs in Delaware County. This funding has given the Council the means to publish a newsletter entitled *Delaware County Fair Housing News*. This is a technical newsletter that is distributed to over 1,500 landlords, Realtors, elected and appointed government officials, and other housing professionals in Delaware County. This newsletter has been referred to as the "most important source of fair housing news in the county." The funding also helps us continue the dozens of workshops and seminars that we hold every year for consumers and industry professionals regarding their fair housing rights and responsibilities.

Private Foundation Awards

The Council is pleased to announce that it has received a grant from **The Philadelphia Foundation**. This grant is being awarded from the **Ruth Dene Neufeld fund, the David S. Mathers Fund, the John B. Gest Memorial Fund and the William P. Gest Memorial Fund #2**. The Philadelphia Foundation manages more than 345 charitable funds that have been established since 1918 by people who want to give something back to their community. Distributions from these funds support hundreds of cultural, educational, and humanitarian programs in Southeastern Pennsylvania. The Council will use this money to continue its efforts to empower people with the knowledge they need to protect their rights to rent or buy a home.

The Council has also received a grant from **Women's Way's 2000 Discretionary Fund**. Women's Way raises money and mobilizes community resources to support programs run by and for women that advocate freedom from violence; guarantee equal opportunity; challenge discrimination in all its forms; foster economic self-determination; and affirm reproductive freedom. This funding will support the Council's fair housing education, prevention and advocacy services on behalf of women with children throughout the region.

Justice Department Settles Lawsuit Against Chester County Apartment Complex

In April, the U.S. Department of Justice announced a settlement of a complaint alleging that the former owners of Knollwood Apartment complex in Phoenixville, Chester County, discriminated against families with children in the rental of dwellings at the apartment complex. The property manager was named as a defendant in the suit as well.

The complaint, filed in U.S. District Court in the Eastern District of Pennsylvania, alleges, among other things, that the owners violated the Fair Housing Act by informing families with children that they could only rent units on the first floor of the apartment complex, and by informing families with children that certain upper-level apartments were unavailable while applicants without children were told of and shown the same upper-level apartments. The Fair Housing Act prohibits discrimination on the basis of familial status in the rental of dwelling units.

The Justice Department's investigation, which began in April 1997, consisted of a series of tests at Knollwood Apartments, which the Department conducted, in conjunction with the Fair Housing Council of Suburban Philadelphia. The testing involved trained pairs of individuals posing as prospective tenants and inquiring about the availability of apartments. One group of testers posed as prospective renters with children and the other group posed as prospective renters without children. By comparing the experiences of both sets of testers, investigators were able to

determine whether renters with children were treated less favorable than those without children.

Knollwood Partners owned the Knollwood Apartment complex until November 2, 1998, when the apartment complex was sold to the current owner. The partnership was liquidated following the sale of the complex. The defendant property manager has worked at the complex since 1993 and, following the sale, continued to work for the new owners. The current owners of the complex were not named in the lawsuit.

The Justice Department's lawsuit was filed simultaneously with a consent decree that resolves all of the United State's claims. Under the terms of the consent decree, the defendants are prohibited from engaging in illegal discrimination on the basis of familial status. The terms of the decree also include the payment of monetary damages by the defendant of \$24,000 to the National Fair Housing Alliance and a civil penalty of \$5,000 to the U.S. Department of Justice. In addition, the defendants must attend mandatory training at the Public Interest Law Center of Philadelphia for a fee of \$1,000.

The defendants in this case have been extremely cooperative during the course of our investigation and I commend them on their efforts at bringing this matter to a prompt resolution," Acting Assistant Attorney General for Civil Rights Bill Lann Lee said. "We are pleased to see that steps will be taken to promote equal treatment of families with

New Board Members Welcomed

The Annual meeting of the FHCSP was held on January 10. At this time the following officers were elected: Jean E. Moore, Ed.D., President; Cary Isard, Vice President; Bill Henderson, Treasurer; Carole Karash, Recording Secretary; & Kathleen Henderson, Corresponding Secretary. Additional Board members elected or continuing terms were: Joseph Aiken, F. Ann Cope, Ann T. Geers, Ira J. Goldstein, Ph.D., Lynne Green, Sidney Johnson, Trina Johnston, Marion R. Murphy, Robert T. Murphy, Barbara Ransom, Esq., Elaine Saraceni, Jean E. Spriggs, and Mary Washington.

The annual report for 1999 was distributed. The report reflects a very active year. A limited number of these reports are available for distribution. If you would like to receive a copy, please contact the Council office.

Two new members of the Board were introduced and welcomed. Barbara Ransom, Esq. received her J.D. in Law from Temple University in 1991. She has been an attorney on the staff of the Public Interest Law Center since 1996. Sidney O. Johnson is a graduate of Morgan State University in Baltimore. He received a B.S. degree in Accounting in 1968. Since 1984 he has been the President of the Supreme Janitorial and Maintenance Co. Inc. in Malvern.

Poor and Black Areas Targets for Loan Abuses

Consumers in black or low-income neighborhoods are much more likely to receive high-cost home loans than consumers in predominately white or moderate-income neighborhoods, according to a federal study released April 12, 2000. These high-cost loans, called subprime loans because they carry a rate that is higher than the market average, are in theory aimed at consumers who have a troubled credit history and therefore stand a greater chance of defaulting. But the study by the Department of Housing and Urban Development suggests that many consumers in black or other underserved neighborhoods have been disproportionately--and unfairly--steered to these loans, and therefore pay more than they should to borrow money to own a home. These borrowers may also be vulnerable to predatory lending practices.

The HUD analysis shows:

- 1) From 1993 to 1998, the number of subprime refinance loans increased ten-fold.
- 2) Subprime loans are three times more likely in low-income neighborhoods than in high-income neighborhoods.
- 3) Subprime loans are five times more likely in black neighborhoods than in white neighborhoods. Specifically, while subprime refinance mortgages accounted for one-tenth of the refinance mortgages in predominantly white neighborhoods in 1998, in predominantly black neighborhoods, **half** of the refinance mortgages were subprime. This means that only one in ten families in white neighborhoods pay higher fees and

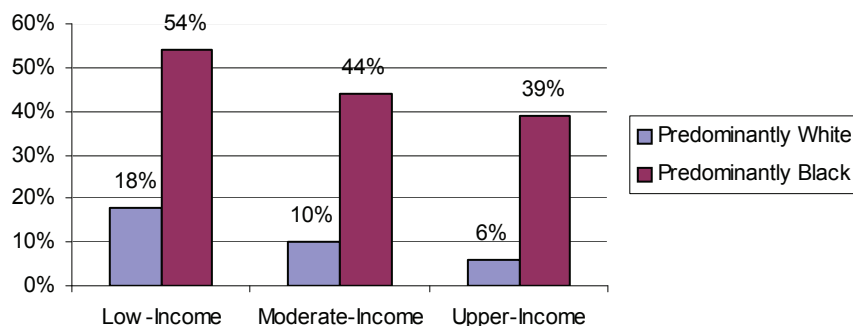
interest rates, but **five in ten families in African American communities are saddled with higher rates and costs.**

- 4) Homeowners in high-income black neighborhoods are twice as likely as homeowners in low-income white neighborhoods to have subprime loans. In fact, as neighborhood income increases, the disparity between the African-American and white neighborhoods grows larger. Homeowners in low-income black communities are almost 3 times as likely as homeowners in low-income white communities to have subprime financing. For moderate-income neighborhoods, black neighborhoods are 4 times as likely, and in upper-income neighborhoods, black neighborhoods are 6 times as likely as white neighborhoods to have subprime financing.

During the upcoming year, the Council will be working with area groups to develop educational materials designed to inform consumers about the subprime market and warn them of predatory abuses. The Council will also be gathering information about alleged predatory lending in our service area. If your organization is interested in hosting an educational seminar or you believe you know of some predatory lending abuses, please contact the Council offices.

Adapted from "Subprime lending report: Unequal Burden: Income & Racial Disparities in Subprime Lending in America." U.S. Department of Housing & Urban Development. April 2000.

Sub-prime Share of 1998 Refinance Mortgages by Neighborhood Race



Note: Predominantly White: At least 85% White; Predominantly Black: At least 75% Black.
 Low Income: Not more than 80%; Moderate-Income: 80-120%; Upper-Income: More than 120%

Major Policy Statements Announced

In March, FHCSA Assistant Director Jan Chadwick attended the National Community Reinvestment Coalition's (NCRC) annual conference in Washington, D.C. This year's conference entitled "Capital Access 2000: Increasing Wealth in Our Communities" was one of the best they have held to date. The conference attracted national media attention as Federal Reserve Chairman Alan Greenspan, Comptroller of the Currency John Hawke, HUD Secretary Andrew Cuomo, and Fannie Mae CEO Franklin Raines made major policy statements addressing fair lending and equal access to credit. Rev. Jesse Jackson spoke passionately about "greenlining" redlined communities and comedian Al Franken challenged Governor George Bush to be a true compassionate conservative and support the Community Reinvestment Act (CRA).

The nation's leading policymakers made the following policy announcements at NCRC's conference:

- △ Federal Reserve Chairman Alan Greenspan announced the formation of an interagency task force that will issue recommendations on predatory lending by year-end.
- △ Comptroller of the Currency John Hawke stated that the OCC will consider issuing cease and desist orders against predatory lenders.
- △ Fannie Mae CEO Franklin Raines declared that Fannie Mae will discard the black box of FICO scores and develop their own system to assess creditworthiness, which will be an "open book."
- △ Senior staff of the FDIC reiterated that CRA exams will scrutinize banks' lending to prevent predatory lending from receiving CRA credit. Any exploitative payday lending will also be identified and penalized.

The widespread national media coverage of the conference has helped to jump start national and local legislative efforts to combat predatory lending.

Announcing

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Featuring

- ❖ Regular updates with news from the world of Fair Housing
- ❖ General and Specific information about Fair Housing Laws
- ❖ Information on Predatory Lending
- ❖ Information about the Council's past and upcoming cases
- ❖ Information about the Council's Programs

Council Partners with Association of Realtors

The Fair Housing Council has partnered with the Delaware Valley Association of Realtors to teach fair housing law to local Realtors. As with many professions, Realtors must participate in classes to renew their licenses. Two hours of fair housing training was included in this round of mandatory continuing education classes. This training is not just a refresher course, but also benefits the Realtor with recent developments in the law since their last classes.

The Council assisted Realtor Bill Finigan with the training during these classes. The primary emphasis of the fair housing training was devoted to advertising and the Fair Housing Act. Much misunderstanding has developed in the last several years in reference to what can be said in a real estate advertisement, and the Council is excited to be a part of helping to dispel the myths that have developed. For instance, some of the myths say that you can't use the term "Merry Christmas" because this is religious discrimination; saying "master bedroom" is gender or racial discrimination; or that "room with a view" somehow discriminates against those with visual impairments. These types of arguments are not only ridiculous, but cause the seriousness and purpose of the Fair Housing Act to be brought into question.

For the last five years, the Council has been trying to get the word out that phrases such as the above are not considered illegal under the HUD regulations to the Fair Housing Act. Most of the phrases that would be considered illegal are common sense, for example: "no children," "Italian neighborhood," or obviously "Whites only." The Council is pleased to be a part of the mandatory continuing education program taught by the Delaware Valley Association of Realtors as a way to get this important message out.

Would you like more information about advertising and the Fair Housing Act? Visit the Council's web site at <http://fhcsp.fairhousing.com> or if you are interested in a presentation to your group or organization, contact the Council office at (610) 604-4411.

Delaware County Fair Housing News

The Council has published two editions of Delaware County Fair Housing News this year. The first covered general fair housing topics and the second was a special disability issue. The special disability issue included several articles from agencies serving the disabled community in Delaware County. If you live or work in Delaware County and would like to receive a free subscription to these newsletters or receive copies of previous editions call the Council office at (610) 604-4411.

Concerning the Council's President

As you may know from previous newsletters, Dr. Jean Moore, President of the Board of Directors of the Fair Housing Council, is the host and executive producer of **University Forum**, a public affairs program aired on Saturday mornings at 10:30 on Temple University Public Radio (WRTI-FM, 90.1 FM in the area). In November of 1999 she received two awards from **The Communicator Awards**, a national organization that recognizes outstanding work in the communications field, as judged by industry professionals. The first was the Communicators 'Prestigious Jade Crystal Award of Excellence' for her conversational interview with a man who is **'Living with AIDS.'** The second was for her on-site interview with **Dr. John Hope Franklin**, the eminent African American historian and recipient of the Presidential Medal of Freedom. The additional recognitions have been received from the **Broadcast Education Association 2000 Juried Faculty Competition** for her three-part documentary of **The Tuskegee Airmen** and for a first place radio education program, **'Fighting Blindness.'** Last year Dr. Moore was appointed to the **International Board of Advisors of Radio for Peace International**, a radio station located on international ground at the University of Peace campus in Costa Rica, that broadcasts by short-wave radio to over 100 countries around the world. **University Forum** programs are aired twice weekly by that station.

For those living outside the area, **University Forum** also can be heard Saturday mornings on the wide 12-station Temple University Public Radio network including Harrisburg, Wilkes Barre, York, southern New Jersey and Dover, Delaware.



**Fair Housing Council
of Suburban Philadelphia**
225 South Chester Road, Suite 1
Swarthmore, PA 19081-1919

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Council Lauded During Fair Housing Month

On March 21 the Delaware County Council of declared at a public meeting that April 2000 was to be Fair Housing Month in Delaware County. Their resolution “urge[d] observance of fair housing laws so all Americans can benefit from non-discriminatory housing practices.” Members of the Delaware County Council lauded the Fair Housing Council for many years of fair housing educational programs since it’s founding in 1956. Representatives from the Community Housing and Human Relations Board and the Delaware Valley Realtors Association were present and were commended for their educational activities as well.