

Fair Ways

December 2000

The Newsletter of The Fair Housing Council Of Suburban Philadelphia

Statewide Task Force on Predatory Lending Convenes

The Pennsylvania Low Income Housing Coalition (PALIHC) organized a statewide meeting of housing agencies from across the state on October 19, 2000 to discuss things that can be done to fight predatory lending in Pennsylvania

Along with evidence presented by Ira Goldstein of the Reinvestment Fund and Irv Ackelsberg of Community Legal Services, testimony from PALIHC members revealed that predatory lending is occurring in boroughs and cities throughout Pennsylvania. Housing counselors at the meeting pointed to the types of problems surfacing in the Pennsylvania Housing Finance Agency's (PHFA) Homeowner's Emergency Mortgage Assistance Program (HEMAP) applications and other participants stated that they are seeing property flipping, contractor scams, bill collector referrals and other predatory lending practices in their communities.

Predatory lending is a derivative of the subprime mortgage market. Subprime lending generally involves rates and fees with greater flexibility in underwriting for borrowers who do not qualify for or do not know about prime lending options. Subprime lending is considered to be predatory when a lender, broker or contractor engages in deceptive marketing – targeted to elderly homeowners or other vulnerable populations living in lower income neighborhoods – and fraudulent sales practices which produce loans with excessive or hidden fees and unaffordable payment terms.

Some objectives were reached at the meeting regarding combating predatory lending in Pennsylvania. The first objective regarding any state legislation should be to clearly define, prohibit and punish predatory lending practices. A second objective should be to increase regulatory oversight of the subprime lending industry in order to catch predatory practices before they proliferate. A third objective should be to improve the lending market in lower income communities through consumer education, housing counseling and price incentives.

“Even when we admit to racially discriminatory practices, we rarely admit we are racist. This kind of massive denial is not possible without a strictly enforced taboo against speaking publicly about racism.”

Charles R. Lawrence III/Mari J. Matsuda, 1997

Council Recognized by HUD as “Simply The Best”

The Fair Housing Council of Suburban Philadelphia received a national “Simply the Best” award for “Outstanding Achievement” from Secretary Andrew Cuomo at the U.S. Department of Housing & Urban Development's (HUD) Best Practices & Technical Assistance Symposium 2000 held in Washington D.C. in August. The Fair Housing Council of Suburban Philadelphia was selected as one of the fifty best practice award winners from HUD's Office of Fair Housing and Equal Opportunity

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of Suburban Philadelphia**
"The Nation's Oldest Fair
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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.

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(FHEO) for "Maximizing the Use of Comprehensive Fair Housing Education and Outreach."

The Mid Atlantic Office of the HUD nominated FHCS for this award. The nomination stated that "FHCS has dedicated a large portion of its resources to educating the public, supportive services agencies, public officials, Real Estate Professionals, Government entities, landlords, and advocacy groups about fair housing law. The comprehensive approach the Council has taken has brought the fight for Fair Housing "to the streets." This year alone FHCS has trained over 60 agencies and organizations, published 5 educational newsletters, written several articles for various local publications, updated and maintained a website with a wealth of fair housing information and assisted untold numbers of individuals by telephone.

FHCS continually identifies forums through which the fair housing message can be spread and broadens the scope of its educational programs accordingly. During the upcoming year, the Council hopes to broaden the scope and circulation of its technical newsletter, *Delaware County Fair Housing News*, and rename this publication *Delaware Valley Fair Housing News*. This newsletter is distributed to landlords, Realtors, government and township officials, housing counselors and others involved in the housing industry. Some topics this newsletter has addressed have included zoning issues for town councils, issues regarding accessibility for the disabled in the new construction of multi-family dwellings for builders and developers, how landlords can develop occupancy standards that do not violate the fair housing laws, and issues regarding predatory lending. During the upcoming year, the Council will be putting together a comprehensive training program to train consumers to avoid getting hooked by predatory lenders.

In a letter to awardees, President Clinton stated that, "[T]hese 'best practices' have a significant impact on the lives of countless Americans through the creative and effective leveraging of resources. You are taking on some of the most difficult and important challenges we face today by helping those most in need, literally changing America for the better." Eva Plaza, Assistant Secretary, Office of FHEO, in a letter announcing the award stated that the Council's "efforts exemplify [y] what works in Fair Housing & Equal Opportunity, and for that you should be proud."

FHCS is proud, and would like to thank all our members, supporters and funders for making these important activities possible.

Fair Housing Council of Suburban Philadelphia Dines at the Union League

by Dr. Jean E. Moore

On Wednesday evening October 25, 2000, the Fair Housing Council of Suburban Philadelphia was awarded a grant at the 225th Anniversary and Awards Ceremony of the **Pennsylvania Abolition Society (PAS)**. Following a superb dinner served at the posh Union League in Philadelphia a check for \$2000 was presented to Dr. Jean E. Moore, President of the Board of Directors of the Fair Housing Council of Suburban Philadelphia, by representatives of the PAS, which actually has the extensive name of the "Pennsylvania Society for Promoting The Abolition Of Slavery; The Relief Of Negroes Unlawfully Held In Bondage; And For Improving The Condition Of the African Race."

In acknowledging the gift, Dr. Moore introduced two members of the Council's Board, Secretary Carole Karash and Vice President Cary Isard, who also is a member of the Pennsylvania Abolition Society. She gave a brief history of the Council and paid special tribute to Margaret Collins, the pre-civil rights era Realtor whose non-discriminatory firm was instrumental in Dr. Moore's access to her own home many years ago. Highlighting current emphases of the Council in addition to issues of race, she referenced its expansion into housing discrimination involving familial status, disability, predatory lending and homeowners' insurance. Stressing the importance of the Council's role through education, enforcement and compliance, Dr. Moore spoke of local and national recognition received by Executive Director James Berry and Assistant Director Jan Chadwick in these areas. She encouraged continued vigilance and involvement of volunteers and neighbors in carrying a strong, living message of the right to fair housing in all communities.

**"Long described
as America's
original sin,
slavery is also
our shadow:
doffing our steps
forward,
projecting in
black against the
sunlight of
democratic
ideals."**

*Jonathan Alter
1997*

Photo by Phil Arkow/The Philadelphia Foundation

Dr. Jean Moore, President, Board of Directors, Fair Housing Council of Suburban Philadelphia receives check from Mr. David Smith, Treasurer, The Pennsylvania Abolition Society.

Predatory Lending May Be Considered a Fair Housing Violation

On October 4, The Fair Housing Council of Greater Washington announced a U.S. District Court ruling that permits a lawsuit to proceed against the D.C. based Capital City Mortgage Corporation for engaging in allegedly predatory and racially discriminatory lending.

Attorney John Relman, who represents the D.C. fair housing center and six borrowers, said Judge Joyce Hens Green's ruling to deny summary judgment to the firm is "the first decision in the country squarely holding that targeting minority communities for predatory lending--or reverse redlining--can be a violation of the Fair Housing Act."

According to Relman, "What this says is, if you peddle illegal predatory loans in a

community, if you in essence peddle poison to that community because of the racial makeup of the community, then a jury can decide if that violates the Fair Housing Act." Under that law, a jury could award unlimited punitive damages.

The suit filed two years ago alleges that the firm and its president, Thomas K. Nash, targeted African American borrowers for high-cost loans it knew they could not repay.

A series of Washington Post articles in 1996 found that Capital City and its president foreclosed on one of every five mortgages issued from 1984 to 1995. Most properties were in predominantly black D.C. neighborhoods. The loans frequently carried interest rates of 24% or higher.

"There are complexities in every racial situation. Never are such matters neat and simple. They can't be. For they reach deep into history, memory, beliefs, values - or into the hollow place where values should be."

Lillian Smith
1949

Council Welcomes New Test Coordinator

In August, Rachel Wentworth joined the staff of the Fair Housing Council as Test Coordinator. Rachel has interned for the past year with the Greater New Orleans Fair Housing Action Center where she gained experience in fair housing complaint based and systemic testing as well as becoming familiar with fair housing laws and the enforcement process. In addition to continuing the Council's enforcement testing program, she hopes to conduct more extensive systemic testing in order to learn more about the frequency of housing discrimination faced by home seekers in the suburban Philadelphia area.

Rachel says, "One of the things that I think is a concern in this part of the country is the attitude that racism is a thing of the past. Working in the South, I found that people were very willing to acknowledge that there was a problem and to discuss it openly. Unfortunately, the same racism that we associate with Southern society is just as much a problem in the North, and is perhaps even more insidious in that it has become so subtle and institutionalized. I am particularly concerned about the underreporting of housing discrimination, and I hope to be able to find out more about how much discrimination exists in our area and about the ways in which people are prevented from living in the housing of their choice."

Notes From The Board of Directors

Annual Appeal


If you haven't received our Annual Appeal letter please call Cary Isard at (610) CL9-6080 or Kathleen Henderson at (610) 558-5186. The Council is proud to have received substantial grants from the federal government and other sources, however these funds are largely designed for specific activities such as education. They do not pay for the daily expenses of the office. The Council is dependent on its members and friends for this. Please don't forget us!

Picnic

Our annual picnic was held at Cary & Walter Isard's spacious backyard on June 17th. Bob Murphy presided over the grill and everyone helped with delicious salads and desserts and punch. It's always fun to see old friends and to make new ones. One of our former presidents, Ray Coel, joined us for the first time in several years. If you weren't there, watch for the picnic date next year and don't miss again!

In Memory Of...

We have just received word of the death of Jeanette Ross. She and her husband John have been long time supporters of the Council. John is a former member of the Board, and Jeanette has been very helpful on the membership committee. A memorial service has been scheduled for December 30, 2000 at 2:00 p.m. at the Ethical Culture Society. We extend our deep sympathy to John and his family.



**United
Way**

The Annual United Way fund drive is on again. For those of you who would like to earmark their United Way donation to the Fair Housing Council, our Donor Option Number is

5182.



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Annual Meeting Date Set

FHCSP's 45th Annual Meeting is planned for **Saturday, January 6th, 2001 at 2:00 p.m.** We hope the different time will be more convenient for many of you.

This year's Annual Meeting is expected to be very exciting. **Ira Goldstein, Ph.D.** of The Reinvestment Fund will be speaking on **Predatory Lending** and **Thomas Earle, Esq.** of the Disabilities Law Project in Philadelphia will be speaking on **"New Construction Access 2001 - A 'Space' Odyssey!** Don't miss this important and informative meeting. This is your best chance to get up-to-date on the activities of the Council. We need your input.

Mark your 2001 calendar now!