HUD grant funds home lending investigation

With funding from the U.S. Department of Housing and Urban Development (HUD), The John Marshall Law School’s fair housing staff is investigating discriminatory home lending practices in metropolitan Chicago.

The first steps of this one-year project, funded with a $324,966 grant from HUD, include identifying neighborhoods in the metropolitan area that have been targeted for unfair, predatory and discriminatory lending practices, and to document the resulting problems in those neighborhoods.

The project—which will include data mining and interviewing housing counselors—is an outgrowth of a predatory lending class taught by Professor Michael Seng, the Fair Housing Legal Support Center & Clinic’s co-executive director.

Seng explained that John Marshall began this work more than 12 years ago—before the economic downturn and the foreclosure crisis—to educate students about discriminatory and predatory home lending practices. A grant from the Fannie Mae Foundation allowed students to be placed into Chicago neighborhoods to help mortgage counselors educate borrowers about risks in the exotic loans being marketed at that time.

“As the crisis developed, the project changed its focus from prevention to home preservation,” Seng said. “Today, the project receives funding from HUD and from the city of Chicago. The new grant from HUD will allow us for the first time to expand our work to investigate systemic practices that are presently occurring in our communities and to file enforcement actions with HUD or other federal or state agencies if warranted.”

Attorney Dennis Smith, the project manager, explains that students will be hired as investigators, working under the supervision of Edward Voci, a civil rights attorney.

“This grant will allow us to make a systematic investigation of mortgage lending in key areas of the Chicago housing market and identify specific instances of discriminatory lending practices,” Smith said.

Voci is meeting with housing agencies for insight into discriminatory lending practices and to determine where best to focus investigative efforts.

Edward Voci, project attorney

“Homeowners and renters in mortgaged buildings have persevered through five years of the crisis and regulators are attempting to rein in fair lending violators and lending predators,” Voci said. “Yet, even at this early stage of the project there are indications that minority communities are receiving discriminatory treatment.”

Among other things, the project aims to interview borrowers, mortgage counselors and neighborhood residents in an effort to identify unfair lending practices, prepare public information materials and, ultimately, file one or more complaints against mortgage brokers or lenders who violate fair housing and related laws.

Fair Housing Center & Clinic celebrates a milestone

Among the events celebrating the 20th anniversary of the Fair Housing Legal Support Center & Clinic was a reception at the Cliff Dwellers Club on a beautiful September night in Chicago. For more photos of the events surrounding the anniversary, take a look online at http://goo.gl/7BBhco
Local fair housing groups unite against ordinance

The Village of Glenview, a suburb north of Chicago, has passed a housing ordinance that is drawing fire from Cook County as well as the ire of Allison Bethel, director of the Fair Housing Legal Clinic.

The ordinance, approved in August 2013, allows landlords in the village to turn away tenants who use Housing Choice vouchers, commonly called Section 8. The Glenview ordinance was approved shortly before a county ordinance went into effect making it illegal to refuse to rent to an otherwise qualified tenant because they have a housing voucher.

Bethel was among the representatives of organizations in the fair housing community who signed a letter submitted in August to Cook County Board President Toni Preckwinkle expressing disdain over Glenview’s new ordinance. The letter charged Glenview with adopting an ordinance that harms the county’s efforts to combat discrimination.

While Seng and others fighting for fair housing admit discrimination does happen today, the culture of the United States has shifted considerably.

“We have the clearest documented history of housing discrimination,” Seng said. “We acknowledge it’s a problem and we work to reduce its incidence through laws we have in place to protect those facing discrimination.”
Students complete yearlong discrimination study

A yearlong study by a team of students from the Fair Housing Legal Support Center & Clinic offers suggestions for procedural and administrative changes that could improve enforcement of fair housing laws in metropolitan Chicago.

The study, prepared for the Illinois Department of Human Rights and funded by the U.S. Department of Housing and Urban Development, found that discrimination continues to plague certain populations pushed into limited housing stock.

“Segregation in the Chicago Metropolitan Area—Some Immediate Measures to Reverse This Impediment to Fair Housing,” was presented to the public and the news media at a press conference at The John Marshall Law School.

“What we found is that specific groups face greater hurdles at finding decent housing, and part of the reason is that major impediments exist,” said Professor Michael Seng, co-executive director of the Fair Housing Legal Support Center & Clinic.

“The John Marshall Law School has been working to end housing discrimination since the 1980s, when the law school first partnered with the Leadership Council of Metropolitan Open Communities. While there’s been progress, it is unfortunate that we still find a pattern of discrimination being repeated. We now have new classes facing limitations in their housing choices,” he added.

Chicago was the primary study area, but the student researchers also reviewed the suburban communities of Oak Park, Arlington Heights and Skokie.

Lending investigation
(continued from page 1)

The public education component includes community presentations on updates to fair housing law with information on how to avoid predatory and discriminatory loans, and how to preserve homes from default and foreclosure due to unfair lending practices. Project staff also will compile a comprehensive report that includes recommendations for enforcement and regulatory action.

Seng says the project is beneficial to students as well as the community.

“John Marshall students benefit from the program by learning the law in the classroom and then by experiencing how the law plays out in the community,” he said. “The work the students do directly benefits borrowers and community residents harmed by illegal and discriminatory lending practices.”

College students in the game

The Fair Housing Legal Support Center is training 14 undergraduate students from 10 colleges and universities through the Fair Housing Internship Program, funded by a $99,865 grant from HUD.

The program, which helps raise awareness of fair housing issues, is in its fourth semester at John Marshall. Center Co-Executive Director Michael Seng says the grant allows the Center to branch out into a new demographic and makes young people aware of the importance of fair housing and fair lending obligations.

This semester, the students selected attend the following schools: Aurora University, Concordia University, North Central College, Northwestern Illinois University, University of Illinois at Chicago, Truman College, Saint Xavier University, Dominican University, Chicago State University and Roosevelt University.
Public education and legal assistance

The Fair Housing Legal Support Center & Clinic is charged with educating the public on fair housing law and providing legal assistance to end discriminatory housing practices.

The Center provides training and consulting services to groups that want to establish nonprofit fair housing centers, organizations interested in establishing testing programs and to anyone interested in learning more about fair housing law. The Center also develops customized presentations to individuals or groups. For more information, email us at fairhousingcenter@jmls.edu or call us at 312.987.2397.

The Clinic investigates and represents persons who have been discriminated against in housing. If you feel you have been the victim of unlawful housing discrimination, email us at fairhousingclinic@jmls.edu or call us at 312.786.2267.