



# Fair Housing Newsletter

*Keeping you current on fair housing news and issues*



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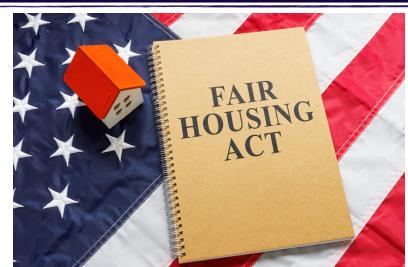
## HUD Secretary Cracks Down on “Junk Fees”

On March 7, 2023, Marcia Fudge, Secretary of the U.S. Department of Housing and Urban Development, published a letter urging all housing providers to take action to limit and better disclose fees charged to renters. In her letter, Secretary Fudge calls on all housing providers, as well as state and local governments to adopt policies and promote fairness and transparency of fees faced by renters. Policies landlords are encouraged to adopt include:

- Eliminating rental application fees or limiting application fees to only those necessary to cover actual and legitimate costs for services;
- Allowing a single application fee to cover multiple applications on the same platform or access multiple properties owned by one housing provider or managed by one company across providers;
- Eliminating duplicative, excessive, and undisclosed fees at all stages of the leasing process such as administrative fees and other processing fees in addition to rental application fees; and
- Clearly identifying bottom-line amounts that tenants will pay for move-in and monthly rent in advertisements of rental property and in lease documents including all recurring monthly costs and their purpose.

The letter is a follow-up to the Biden-Harris Administration’s *Blueprint for a Renters Bill of Rights* which calls for clear and fair leases without hidden fees.

**Note From the Editor:** April is Fair Housing Month. This year is the 55th anniversary of the passage of the Act. It was signed by President Lyndon B. Johnson on April 11, 1968.



## DOJ Settles Michigan Sexual Harassment Case

The U.S. Department of Justice and a Michigan landlord have agreed to settle a 2020 sexual harassment lawsuit. The lawsuit alleged that since at least 2008, the landlord subjected female tenants to harassment that included making repeated and unwelcome sexual comments, touching tenants' bodies without their consent, demanding sexual activity in exchange for rent and housing-related benefits and taking adverse actions against tenants who resisted his sexual advances or complained about the harassment.



Under the settlement agreement, the landlord will pay \$155,000 to compensate female tenants who were allegedly harassed and a \$10,000 civil penalty to the U.S. In addition, the landlord has agreed to an independent property manager, fair housing training, and new policies.

## MS Man Gets 42 Months in Prison for Fair Housing Act Violation

A Mississippi man has been sentenced for burning a cross to intimidate his Black neighbors in violation of the Fair Housing Act. He will spend 42 months in prison followed by three years supervised release. He will also be required to pay \$7,810 in restitution.

According to the U.S. Department of Justice press release, the 24 year-old Gulfport, Mississippi, man got into a dispute with his Black neighbors. He then wedged two pieces of wood together to form a cross. He placed the cross in his own yard in view of the Black neighbor's house. He poured oil on the wood and set it on fire. He then yelled threats and racial slurs towards the Black neighbors. By his own admission, he intended to scare the neighbors into moving.



This case serves as a reminder that violations of the Fair Housing Act carry both a civil and criminal penalty.

## HUD Restores 2013 “Discriminatory Effects” Rule

The U.S. Department of Housing and Urban Development has submitted a Final Rule entitled Restoring HUD's Discriminatory Effects Standard to the Federal Register for publication. The Final Rule rescinds HUD's 2020 rule governing the Fair Housing Act disparate impact claims and restores the 2013 discriminatory effects rule.

The discriminatory effects or disparate impact doctrine is used to challenge policies that may cause inequality in housing, regardless of whether they were adopted with discriminatory intent. It has been used to challenge policies that exclude people from housing opportunities, including zoning requirements, lending and property insurance policies, and criminal records policies.



The Final Rule will go into effect 30 days after it was published in the Federal Register. However, due to a preliminary injunction staying the implementation of the 2020 Rule, the 2020 Rule never actually went into effect. The 2013 Rule has been and is currently still in effect.



# HOUSING CROSSROADS

WHERE FAIR HOUSING AND  
LANDLORD TENANT LAWS INTERSECT

## Housing Crossroads Webinar

# Potholes of Managing Vehicles on the Property

Wednesday, April 26, 2023  
10:00 a.m. - 11:30 a.m. central

Every resident has a car...or two. Managing all the vehicles and requests for special parking can become a nightmare for property managers. Who gets priority? Are you required to provide a certain number of parking spaces for each unit?

In this webinar, we will discuss the common problems landlords face when dealing with vehicles on the property, which laws apply, and some best practices. Our discussion will include:

- Towing a Vehicle
- Documentation Needed
- Reserving Spots
- Handicapped Parking
- Abandoned Vehicles
- and much, much more

\$34.99  
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### Speakers



Nathan Lybarger  
Law Office of Hall &  
Associates

Angelita Fisher  
Law Office of Angelita E.  
Fisher

## Fair Housing Complaint Filed Against X Co.

The National Fair Housing Alliance, Southwest Fair Housing Council in Arizona, and three tenants have filed a fair housing complaint with the U.S. Department of Housing and Urban Development (HUD). The complaint alleges X Co. discriminates against families with children.

X Co. is a Chicago-based real estate developer and operator. It developed and operates X, which is described as “the first and largest branded network of member clubs and private residences in the country.” It currently owns and operates multi-family housing developments in Phoenix, AZ, and Denver, CO.

According to the HUD complaint, X Club facilities are an amenity in X’s multi-family housing developments. The X Club includes the pool, fitness room, community areas, and other amenities. Residents at these developments receive complimentary access to the X Club when they lease a residence. However, according to the complaint, the X Denver community website states that children are not allowed at X Club facilities. When testers contacted X Denver, they were told children would not be able to use these facilities.

In addition, multiple residents reported the restriction. X Phoenix residents reported they were told orally and in writing that children were prohibited from using the common areas and amenities. Other residents stated an X Phoenix staff member sent an email to residents about the restriction, and actively enforced the policy. On one occasion, the property even sought legal action against a tenant who brought their infant to the pool.

If true, these restrictions violate the Fair Housing Act. They are discriminatory against families with children. HUD will now investigate. If HUD finds discrimination, the case will go to an administrative judge or the U.S. Department of Justice.



### Did You Know?

*The class of familial status was not protected until 1988*

## Wisconsin Man Pleads Guilty to Fair Housing Violation

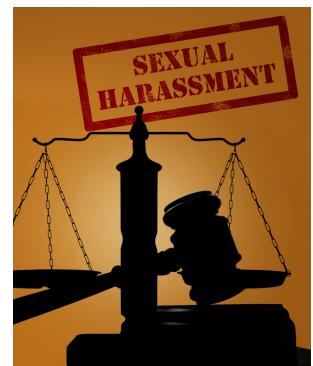
A Wisconsin man pleaded guilty to one felony and one misdemeanor for intimidating and interfering with Black residents. According to a news release, the Wisconsin man admitted he twice slashed the tires and broke the windshield of a Black woman’s vehicle parked outside her apartment. He also admitted leaving notes on her car with racial slurs, threatening to slash her throat and demanding she move.

The man faces a maximum sentence of up to 11 years in prison. A sentencing date has been set for June 29, 2023.

## DOJ Files Another Sexual Harassment Lawsuit

The U.S. Department of Justice has filed a sexual harassment lawsuit against the owner and manager of rental properties in Dearborn Heights, Michigan.

The lawsuit alleges the owner/manager subjected actual and prospective female tenants to sexual harassment on multiple occasions since at least 2017. More specifically, the lawsuit alleges the owner/manager made unwelcome sexual comments and advances, and offered actual and prospective female tenants housing-related benefits in exchange for engaging in sex acts with him or sending him sexually explicit images. He also allegedly sent explicit images of himself to prospective female tenants. Many of these events took place in the spring of 2020, during the COVID-19 pandemic.



### Fair Housing Webinar

## “You Can’t Ask Me That Question”

Wednesday, April 12, 2023  
10:00 a.m. - 11:00 a.m. Central

Every property manager has probably wondered if they violated fair housing laws when they asked an applicant or resident a question. Are you disabled? Do you have any animals? Have you been convicted of a felony?

In this webinar, we will discuss 10 common questions that are off-limits for property staff. Our topics will include questions about:

- Previous residency
- Disabilities
- Animals
- Criminal history
- Family make-up
- And much, much, more

**\$24.99**

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