



Fair Housing Newsletter

Keeping you current on fair housing news and issues



 LAW OFFICE OF
ANGELITA E. FISHER

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Angelita Fisher is an attorney in the Nashville, TN area. She has over 17 years experience in representing companies in fair housing law and employment law matters. Angelita is licensed to practice law in Alabama, Texas, Mississippi and Tennessee.
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6688 Nolensville Road

Suite 108-161

Brentwood, TN 37027

615-305-2803

afisher@angelitafisherlaw.com

www.angelitafisherlaw.com
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Largest Ever Settlement For Violations of the Servicemembers Civil Relief Act

A real estate management company, and several related entities, have agreed to pay \$1.59 million to settle alleged violations of the Servicemembers Civil Relief Act. The case alleged the management company violated the SCRA by obtaining unlawful court judgments against military tenants and by charging improper lease termination fees.

Under the SCRA, if a landlord files a civil lawsuit against a tenant and the tenant does not appear, the landlord must file an affidavit with the court stating whether the tenant is in the military before seeking a judgment. If the tenant is in military service, the court typically cannot enter judgment until it appoints an attorney to represent the tenant and the court must postpone the proceedings for at least 90 days.

In the lawsuit, the DOJ alleged that from 2006 to 2017, the management company obtained at least 152 default judgments against 127 SCRA-protected servicemembers by failing to disclose their military service to the court or by falsely stating that they were not in the military.

The complaint further alleged that the management company imposed unlawful charges against servicemember-tenants who attempted to terminate their leases early in order to comply with military orders.

SCRA: Continued on Page 2

Note From the Editor: April is Fair Housing Month. Time to think about your company's fair housing needs. Do you have a fair housing policy? When is the last time your employees attended training? Whatever your needs, I can help. Give me a call.

SCRA: Continued from Page 1

The SCRA allows military tenants to terminate a residential lease early if the servicemember receives deployment or permanent change of station orders or enters military service during the term of the lease. If a tenant terminates a lease pursuant to the SCRA, the landlord may not impose any early termination fee.



Under the settlement, the management company will pay up to \$1,490,000 million to compensate 127 servicemembers who had 152 unlawful default judgments entered against them and \$34,920.39 to compensate 10 servicemembers who were charged early lease termination fees in violation of the SCRA. The management company will also pay a civil penalty of \$62,029 to the United States. The settlement also requires the management company to repair the credit of affected servicemembers, provide SCRA training to its employees and develop new policies and procedures consistent with the SCRA.

Denial of Parking Space Is Costly

A disabled resident has agreed to drop his claim of discrimination after his landlord refused to grant his request for a designated parking space close to the building. The cost? \$17,000.

The case began when a San Diego resident, who is in a wheelchair, asked the apartment complex owner and manager for a designated parking space close to the building. Instead of granting the request, the owner and manager allowed the resident to park in non-assigned accessible spaces in the garage, but denied him a key that was necessary to enter the garage and to use the elevator. As a result, each time the resident wanted to enter the garage, he allegedly had to wait for another resident to open the gate, then follow that person in so he could use the elevator. This resulted in the resident filing a fair housing complaint with the U.S. Department of Housing and Urban Development.



The case has now been resolved. The owner and manager will pay the resident \$17,000, modify their fair housing policy to include information about reasonable accommodations, comply with the provisions of Section 504 of the 1973 Rehabilitation Act, and attend fair housing training.



HOUSING CROSSROADS

WHERE FAIR HOUSING AND
LANDLORD TENANT LAWS INTERSECT



Housing Crossroads Webinar Death of a Resident

Tuesday, April 30, 2019

10:00 am to 11:30 am Central

It is inevitable – residents pass away and landlords are left with the daunting task of navigating the triangle of problems: protecting the former resident’s personal property, addressing the immediate needs of heirs and children and getting the property ready to rent again. It is never an easy situation for any of the parties involved. In this webinar, we will discuss the common issues that arise for landlords when a resident passes away including best practices for addressing certain issues before they arise and legally protecting the landlord from liability afterwards. Our discussion will include:

- Power of Attorney
- Next of Kin
- Personal Property
- Minor Children
- Opening an Estate

\$34.99
[Register](#)

Housing Crossroads webinars give participants a realistic view of issues facing landlords today and how the issues can run afoul of landlord tenant and fair housing laws.



Nathan Lybarger

Law Office of Hall & Associates

Speakers

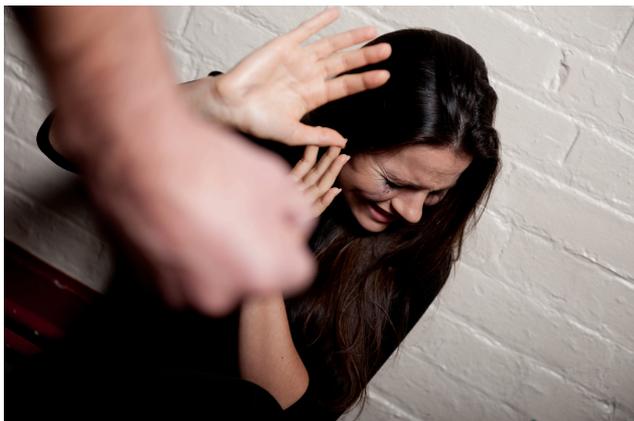


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Law Office of Angelita E. Fisher

Assistance Animal Refusal Costs Landlord \$9,000

The U.S. Department of Housing and Urban Development has approved a Conciliation Agreement with a San Francisco, CA landlord and agent resolving allegations that they refused to rent to a tenant with disabilities because he had an emotional support animal. The case came to HUD's attention when an applicant filed a fair housing complaint alleging he was denied the opportunity to rent an apartment because he had an emotional support animal. HUD's investigation found the landlord and agent were informed that the applicant's animal was prescribed by a doctor and allowed under fair housing laws, but they still refused to consider his application because of the animal. Under the terms of the agreement, the owner will pay the applicant \$9,000 and both the landlord and agent will attend fair housing training.



Fair Housing Webinar

Understanding VAWA

Wednesday, April 10, 2019
10:00 a.m. - 11:00 a.m. Central

\$24.99

Domestic violence is an issue almost every landlord has been forced to face. Can you evict? Do you need to get involved at all? Why is the resident looking to you for help?

Whether you're a federally funded property, a tax credit property, or accept a Section 8 voucher, you must comply with the Violence Against Women Act. Every landlord should know the rules on when the Act applies, transfers, documentation, and liability. In this webinar, we will discuss:

- Recognizing when the VAWA May or May Not Apply
- Sorting out the Paperwork
- Requesting Documentation
- Transfers
- Liability
- Recent Cases

[Register
Now](#)

Familial Status and Race Case Settles for \$74,000

The U.S. Department of Housing and Urban Development announced that a real estate company and the owners of a rental home in Minnesota will pay \$74,000 to resolve allegations they refused to rent a home to a family of five adults and six minor children because they are Native American, Hispanic, and have minor children.

The HUD complaint was filed in August, 2018, after the owners of the rental home refused to rent the six-bedroom residence to the multi-generational family. HUD's charge alleged that the owners and real-estate broker discouraged the family from renting the home by offering them less favorable rental terms, including increasing the requested monthly rent by \$1,000.

Under the terms of the agreement, the landlord and owners will pay \$74,000 to the family; place a fair-housing advertisement in the local newspaper; and the real-estate broker will take fair housing and multicultural-sensitivity training.

Mold Case Turns into Fair Housing Case

What happens when a disabled person asks for mold remediation? Possibly a fair housing complaint. This was the case when two Duarte, CA residents asked their landlord to remove the mold in the building as an accommodation for their disabilities and the landlord refused. After the request, the couple alleged the owners retaliated against them for making the reasonable accommodation request by increasing their rent and issuing the couple a termination of lease notice.



The residents moved out after receiving the notice, but filed a fair housing complaint with the U.S. Department of Housing and Urban Development. The case has been settled with the owner and property manager paying the couple \$6,000, training their employees on fair housing laws, and adopting a fair housing policy that includes reasonable accommodation guidance.

Alleged Refusal to Rent Two-Bedroom to Family with Three Children Settles for \$15,000

A California rental property owner and his management company have agreed to pay \$15,000 to resolve a fair housing complaint alleging they violated the Fair Housing Act. The HUD complaint alleged the family was denied the opportunity to rent a two-bedroom unit because they have three children.

Under the terms of the agreement, the owners and manager will pay \$10,000 to the couple and \$5,000 to a non-profit which assisted the couple. In addition, the agreement requires that the management company revise its policies and that its employees attend annual fair housing training for the next three years.

NFHA Settles Facebook Lawsuit While HUD Files New Charge

On March 19, 2019, the National Fair Housing Alliance announced it had settled its lawsuit filed against Facebook, but the fight is far from over. Just nine days later, on March 28, 2019, the U.S. Department of Housing and Urban Development announced it had charged Facebook with violating the Fair Housing Act for the same practices alleged in the NFHA lawsuit.

In March, 2018, the NFHA, Fair Housing Council of Greater San Antonio, Fair Housing Justice Center of New York, and Housing Opportunities Project for Excellence, Inc. of Miami, filed a lawsuit against Facebook. The lawsuit alleged that Facebook's advertising practices enabled landlords and real estate brokers to exclude people of color, families with children, women, people with disabilities, and other protected groups from receiving housing ads.

As part of the settlement, Facebook has agreed to establish a separate advertising portal that will limit advertisers' targeting abilities to prevent them from illegally discriminating. Housing advertisers will also be prevented from advertising based on zip code. Instead, they will be permitted to advertise based on a 15-mile radius from a city center or address.

In addition, Facebook will restructure its "Lookalike Audience" feature, which formerly allowed advertisers to target ads to Facebook users who were similar to an advertiser's existing customers. Facebook will restructure and rename this tool so that it will not consider users' age, relationship status, religious or political views, school, interests, zip code or membership in "Facebook Groups."

Facebook will also create a page for consumers to view all housing ads placed on its platform, post a self-certification agreement that advertisers must agree to regarding all anti-discrimination laws, provide anti-discrimination and civil rights educational materials to advertisers, and continually work with scholars, organizations, experts, and researchers to examine algorithmic modeling and its potential for discriminatory impact and bias.

Finally, Facebook has agreed it will work with NFHA to develop an in-house fair housing training program for Facebook leadership and staff. The Fair Housing Groups will also monitor Facebook's advertising practices on a continual basis. Facebook also agreed it will work with the Fair Housing Groups to support programs that expand fair housing opportunities throughout the country.

So, the worst should be over...right? Not so fast. On March 28, 2019, HUD announced it had filed a charge based on a Secretary-initiated complaint filed in August, 2018.

According to HUD's Charge, Facebook enabled advertisers to exclude people whom Facebook classified as parents; non-American-born; non-Christian; interested in accessibility; interested in Hispanic culture; or a wide variety of other interests that closely align with the Fair Housing Act's protected classes. HUD is also charging that Facebook enabled advertisers to exclude people based upon their neighborhood by drawing a red line around those neighborhoods on a map. Facebook also allegedly gave advertisers the option of showing ads only to men or only to women.

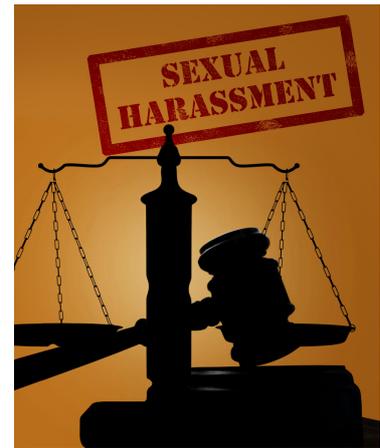
HUD's Charge will be heard by a United States Administrative Law Judge unless any party to the Charge elects to have the case heard in federal district court. If an administrative law judge finds after a hearing that discrimination has occurred, he may award damages for harm caused by the discrimination. The judge may also order injunctive relief and other equitable relief, as well as payment of attorney fees. In addition, the judge may impose fines to vindicate the public interest. If the matter is decided in federal court, the judge may also award punitive damages.

DOJ Files Sexual Harassment Lawsuit Against Owner and Manager of KY Rental Property

The U.S. Department of Justice announced that it has filed a lawsuit alleging that a manager of a residential rental property in Kentucky, sexually harassed female tenants. The lawsuit also alleges that an owner of the rental property, is liable for the manager's actions because he managed the rental property on her behalf.

The lawsuit alleges that the property manager engaged in sexual harassment of female tenants from approximately 2008 through 2016, by, among other things:

- demanding that female tenants engage in sexual acts to keep their housing;
- engaging in unwelcome sexual touching;
- offering to reduce monthly rental payments in exchange for sex;
- making unwelcome sexual comments and advances;
- making intrusive and unannounced visits to female tenants' homes to further his sexual advances; and
- evicting or threatening to evict female tenants who objected or refused his sexual advances.



The lawsuit, filed in a KY federal court, seeks monetary damages to compensate the victims, civil penalties and a court order barring future discrimination.

Since launching an initiative to combat sexual harassment in housing in 2017, the Justice Department has filed or settled 14 sexual harassment cases since January 2017, and has recovered over \$1.6 million for victims of sexual harassment in housing.

Trump Administration Proposes 2020 HUD Budget

The Trump Administration has announced its proposed Fiscal Year 2020 Budget for the U.S. Department of Housing and Urban Development. The proposed budget includes a \$44.1 billion spending plan that expands resources to prevent/end homelessness; invests record funding to reduce lead and other home health and safety hazards; and preserves rental assistance to HUD-assisted households. More specifically, it provides:

Ending Homelessness

The 2020 Budget seeks nearly \$2.6 billion to support thousands of local housing and service programs assisting those living in shelters and on the streets. This represents a \$215 million or 9 percent increase over the Administration's 2019 budget request.

Promoting Healthy Homes

The Administration is seeking a combined \$290 million for HUD's Office of Lead Hazard Control and Healthy Homes. This request doubles the investment the Administration sought last year.

Budget: Continued on Page 8.

Budget: Continued from Page 7.

Continuing Rent Assistance

The Budget increased rental assistance to \$37.9 billion. This request includes \$22.2 billion for HUD's Housing Choice Voucher Program which represents a 7.6 percent increase over the Administration's 2019 request. The request also includes \$12 billion to renew rental subsidies to privately owned multifamily housing developments, a \$874 million increase over the President's 2019 budget. In addition, the 2020 Budget proposes \$644 million for the Housing for the Elderly (Section 202) and \$157 million for the Housing for Persons with Disabilities (Section 811) programs. These requested amounts represent an increase of \$43 million and \$17 million respectively over the President's 2019 budget request.



Pursuing Rent Reform

The Budget incorporates reforms which promote work, simplify program administration, reduce Federal costs, and increase local choice. These reforms include increased tenant rent contributions for those able to work (not including elderly/disabled households); reduced frequency of income recertifications; and additional flexibilities for public housing authorities and property owners to develop alternative rent structures. In addition, the Budget proposes uniform work for work-able households, while exempting the elderly, the disabled, those caring for a disabled family member or small child, and pregnant women.

Public Housing

The 2020 Budget proposes to merge the Public Housing Capital Fund into the Public Housing Operating Fund with reduced overall funding. This new combined Operating Fund will be given extra flexibilities to pay for capital improvement needs.

Supporting Homeownership and Fair Housing

The 2020 Budget supports homeownership through the FHA mortgage insurance programs, providing up to \$400 billion in new single-family loan guarantee authority. In addition, the budget requests up to \$30 billion in new loan guarantee authority for FHA's multifamily, hospital and healthcare mortgage insurance programs. The budget seeks \$550 billion in new guarantee authority for Ginnie Mae, a part of HUD. As it did last year, the Administration is seeking \$62.3 million to support HUD's fair housing mission.

Eliminating/Reducing Ineffective Programs

The Administration seeks the elimination of the Community Development Block Grant (CDBG) Program, shifting the activities the block grant program supports to the State and local level. Similarly, the Administration proposes through the Budget the elimination of HUD's Choice Neighborhoods Initiative, HOME Investment Partnerships Program, and the Self-Help Homeownership Opportunity Program (SHOP), because State and local governments can better meet their communities' needs.