

# The Chuckwagon

August 2004

A quarterly production by  
**MONTANA FAIR HOUSING**

In true Montana spirit, the Chuckwagon . . . the newsletter to fill your fair housing appetite.

## Tales Roun' the Campfire

A synopsis and/or update of cases filed with the Montana Human Rights Bureau (HRB), the Department of Housing and Urban Development (HUD), and/or federal or district court. This synopsis is not necessarily all inclusive . . .

**MFH et. al. v. Treasure Manor Apartments** - In June 2004 administrative complaints were filed with the Department of Housing and Urban Development against the owners and managers of the Treasure Manor Apartments in Libby. The complaints allege that the on-site management discouraged individuals with mental disabilities from applying. Testing conducted by Montana Fair Housing supported the original allegation. HUD has also initiated 504 complaints as the property is funded through the USDA program.

## Shootin' the Bull

### **HUD PUBLISHES NEW RULE TO PROTECT HOMEBUYERS FROM PREDATORY LENDING PRACTICES**

WASHINGTON - As part of an ongoing effort to curb predatory lending and increase accountability in its mortgage insurance programs, The Department of Housing and Urban Development today published a final rule that makes lenders accountable for appraisals on mortgages insured by the Federal Housing Administration (FHA). The rule will be published in today's Federal Register and becomes effective August 19, 2004.

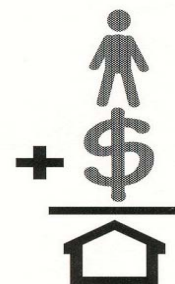
"Holding lenders accountable when appraisers they select engage in fraudulent activities is another step this Administration is taking to protect homebuyers, particularly minorities, from unscrupulous predatory lending practices," said Assistant Secretary for Housing-Federal Housing Commissioner John C. Weicher. "Predatory lending has no place in the FHA market or any other part of the real estate market."

Predatory lending results when home purchasers become unwitting victims of lenders, sellers and appraisers, often working together. The unsuspecting homebuyers either purchase homes with sales prices far in excess of the fair market value, or are substantially overcharged with costs associated with obtaining a mortgage.

The final rule, "Lender Accountability for Appraisals," makes lenders accountable for the quality of appraisals performed by the appraisers the lender hires. It strengthens HUD's regulations concerning the lenders' responsibilities when they select appraisers to determine the market value of properties that will be security for FHA-insured mortgages. The rule will help assure that homebuyers will receive accurate statements of appraised values on homes they purchase using FHA mortgage insurance.

The rule specifies that lenders that submit appraisals to HUD that do not meet FHA requirements can be subject to the imposition of sanctions by HUD's Mortgagee Review Board. This new rule applies to both sponsor lenders who underwrite loans and loan correspondents who originate loans on behalf of their sponsors.

## **Simple Math.**



This is the only equation that matters when it comes to owning a home. Making decisions based on race, color, religion, sex, national origin, disability or family status adds up to discrimination. You can fight back.

## Montana Fair Housing

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Missoula, MT 59804  
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[fairhousing.montana.com](http://fairhousing.montana.com)

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**YES** I want to support the efforts of Montana Fair Housing toward reducing the occurrence of housing discrimination in Montana. Enclosed is my tax-deductible membership contribution:

- limited income - \$10
- individual membership-\$25
- family membership - \$35
- nonprofits - \$50
- individual sponsor - \$200
- corporate friend - \$250
- corporate sponsor - \$500
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HUD disclaimer notice: The work that provided the basis for this publication was supported in part by funding under a grant awarded by the US Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The authors and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication.

## HUD CHARGES TEXAS NEWSPAPER WITH VIOLATING FAIR HOUSING ACT BY PUBLISHING DISCRIMINATING ADS

WASHINGTON, D.C. - The U.S. Department of Housing and Urban Development said today it has charged the San Antonio Express-News and Hearst Communications, Inc., its parent company, with violating the Fair Housing Act by accepting and publishing 42 ads for rental housing that excluded potential renters because of their race, religion, sex, national origin or familial status.

"Some newspapers still do not understand their obligations even though the Fair Housing Act has been the law-of-the-land for more than three decades," said Carolyn Peoples, HUD's assistant secretary for fair housing and equal opportunity. "HUD is committed to enforcing the nation's fair housing laws, and we will act vigorously to keep peoples' rights from being violated."

The HUD charge stems from an April 2002 complaint filed by the Fair Housing Council of Greater San Antonio, one of many private, non-profit organizations funded by HUD through its Fair Housing Initiatives Program to investigate alleged violations of the Act.

The San Antonio FHIP had been investigating possible violations of the Act by the paper since late 2000. Typical of the illegal ads, which ran between November 2000 and October 2002, were the following:

"WALZEN Area, Hispanic or White male pref.,  
to share home..."

"2/1 House, Beautiful historic house, in Beacon Hill,  
See to apprec. No pets/children..."

A hearing on the charges will be held by a U.S. Administrative Law Judge on October 5 in the San Antonio area, unless either the complainant or respondent elect to have the case decided by a federal judge in U.S. District Court. An election to go to trial in district court must be made by August 9.

Housing discrimination charges heard before an ALJ carry a maximum civil penalty of \$11,000 for a first offense - more if the respondent has committed prior violations of the Act - plus actual damages for the complainant, injunctive or other equitable relief, and attorney fees.

Should the case go to district court, either party may request a jury trial. A district court may award all of the damages available in an administrative proceeding, and may also award punitive damages.

In either forum, the case is brought on behalf of the complainant, and prosecuted by an attorney from either HUD of the U.S. Department of Justice. Also, each party has the right to be represented by their own attorney.

**Fair Housing Council wins \$7,500 from Louisville landlords advertising "ideal for single older person"**  
The Advocate August 2003

The Kentucky Fair Housing Council and the owners of an apartment building in Louisville's Hikes Point neighborhood have settled a housing discrimination complaint involving familial status discrimination and advertising for \$7,500. The agreement also calls for the respondents to undergo fair housing training.

The June 2003 settlement resolves claims filed by the Fair Housing Council in September 2002 alleging that respondents, Bob and Sandra Wilson, violated the Fair Housing Act by placing discriminatory advertisements in the Louisville Eccentric Observer (LEO), a weekly newspaper, and discouraging families with children from renting from them.

The advertisements, which were published in April and July 2002 editions of the LEO, contained the discriminatory wording "ideal for single older person," and "ideal for 1," respectively. Based on the ads, the Council conducted an intensive investigation of the Wilsons' housing practices.

The Fair Housing Council performed three paired tests of the Wilsons prior to filing a fair housing complaint with the U.S. Department of Housing and Urban Development (HUD). All three tests showed evidence of familial status discrimination. HUD then referred the complaint to the Louisville Metro Human Relations Commission (HRC) for investigation. HRC Compliance Officer Linda Holland was assigned to the case and served as the conciliator.

Testing revealed that Mrs. Wilson routinely questioned homeseekers about their familial status, and told a pregnant female tester as well as a male tester with a young son that there were "a lot of elderly and retired people" in the building and that there were not any children in the building. The pregnant female tester was also told that the apartment "may not be what you're looking for."

Landlord fails to show for appointment with single mom, ignored attempts to reschedule

Additionally, in at least one test, a tester with a child was given an appointment, but the landlords failed to show up. The tester tried several times to reschedule the appointment but never received return calls from the Wilsons. The Wilsons contend that there was no discriminatory intent behind their actions, and they made no admission of any wrongdoing. The \$7,500 settlement amount includes costs for fair housing training conducted by the Council.

There are still two complaints pending against the LEO for publishing these and other discriminatory advertisements.

Fair Housing Council v. Wilson et al.  
HUD No. 04-02-1408-8; HRC No. C00-HO904  
Complaint filed: September 2002  
Mediation Agreement reached: May 25, 2003

**Tip O' The Hat - Our Acknowledgements**

Montana Fair Housing wishes to thank the

**Missoula Independent**

for providing printed ads, without cost, to further fair housing in Montana

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**Tid Bits from the General Store  
Our Announcements**

**Montana Fair Housing Has Moved!**

**Our new street address is:**

2522 South Third Street West

Missoula, MT 59804

406-542-2611/800-929-2611

FAX: 406-542-2235

**Our new website address is:**

[fairhousing.montana.com](http://fairhousing.montana.com)

**Upcoming workshops:**

**August 23, 2004**

8:00 a.m. - 5:00 p.m.

Latimer Fire Station, Missoula

To register contact Steve Hutchings at the City of Missoula Building Inspection Division at 406-258-4632 before August 20th.

The cost is \$80 per person.

Morning session will be an overview of the federal Fair Housing Amendments Act and state Human Rights Act. Afternoon session focuses on the technical aspects of required accessible design features.

The workshop is approved for six Continuing Education Credits by the Montana Bar Association and the Board of Realty Regulation.

**September 16, 2004**

1:00 p.m. to 5:00 p.m.

Great Northern Best Western

1345 First Street, Havre

To register contact Pam Bean at

[mfhzng@montana.com](mailto:mfhzng@montana.com)

or call 800-929-2611

This workshop is approved for four Continuing Education Credits by the Board of Realty Regulation and the Montana Bar Association. The fee is \$10 per person to cover materials. This workshop provides an overview of the federal Fair Housing Amendments Act and the state Human Rights Act.



2522 South Third Street West  
Missoula, MT 59804

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Alternative Format Available Upon Request

If you suspect unfair housing practices  
and/or want to find out more about  
discrimination in housing contact:

**Department of Housing  
and Urban Development**

1-800-877-7353

TDD 1-800-927-9275

or

**Montana Fair Housing**

1-800-929-2611

1-406-542-2611

Montana Relay Service: 711



**EQUAL HOUSING  
OPPORTUNITY**

**On The Inside:**

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Our Case Synopses

Shootin' the Bull:  
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Tip O' the Hat - Our  
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