

REPORTING LENDING DISCRIMINATION



“We are confronted primarily with a moral issue... whether all Americans are to be afforded equal rights and equal opportunities, whether we are going to treat our fellow Americans as we want to be treated.”

President John F. Kennedy, 1963



Learning how to report fair lending violators can help stop lending discrimination.

Who do I contact to report lending discrimination?

If you feel that you have been discriminated against by a lender, broker, or any person involved in a residential real estate related transaction, you can file a complaint with HUD or a fair housing agency.

How do I file a complaint?

You can file a lending discrimination complaint with HUD by:

- Contacting the National Discrimination Hotline on 1-800-669-9777 (voice), 1-800-927-9275 (TTY);
- Completing a complaint form on the HUD website at www.hud.gov/fairhousing; or
- Sending a letter to your local HUD office.

For consumers with a disability, HUD also provides:

- Interpreters;
- Tapes and Braille materials; and
- Assistance in reading and completing forms.

What information should I include in my complaint?

Your complaint must include:

- Your name and address;
- The name and address of the person or company that your complaint is against;
- The address of or other identifying information about the housing involved;
- A short description of the alleged violation (the event that caused you to believe your rights were violated); and
- The date(s) of the alleged violation.

Who can file a complaint?

Fair Housing laws provide that anyone injured by lending discrimination has the right to file a fair housing complaint. If you have been harmed, or are about to be harmed, by a discriminatory lending practice, you can file a complaint with HUD free of charge, and HUD will investigate your complaint at no cost to you.

Any person can file a complaint, including entities such as corporations, private fair housing organizations, disability rights groups, or homeowners' associations if they have been injured by discriminatory lending practices. Anyone can report lending discrimination to HUD.

How does filing a complaint affect my current mortgage loan?

Filing a complaint does not affect your current mortgage loan. Borrowers are responsible for meeting their responsibilities with the lender, broker, or any person involved in a residential real estate related transaction, throughout the investigation.

What is the time frame for filing a fair housing complaint?

Complaints must be filed with HUD within one year of the occurrence or termination of the alleged discriminatory act. You may also file an action in federal court within two years of the last occurrence or termination of the alleged discriminatory act.

Depending on the city, county, or state in which the alleged discriminatory act occurs, you may also have the right to file a complaint with a state or local governmental agency whose time frames for filing complaints may differ from those provided by the federal Fair Housing Act.



What happens when I file a complaint?

When HUD receives your complaint, it will either assign it to the Office of Fair Housing and Equal Opportunity (FHEO) for investigation or, where applicable, refer it to a state or local agency (Fair Housing Assistance Program agency otherwise known as “FHAP” agency). Each FHAP enforces a fair housing law that HUD has determined to be substantially equivalent to the Fair Housing Act. FHEO will notify you when it receives your complaint. FHEO or the FHAP agency will:

- Notify the parties that you believe are responsible for the alleged discrimination, known as “respondents,” and give them the opportunity to submit a response; and
- Investigate your complaint and determine whether there is reasonable cause to believe that your rights under the Fair Housing Act or a substantially equivalent fair housing law have been violated.

What happens during the investigation of my complaint?

While the investigation proceeds, FHEO or the FHAP agency will attempt to reach a voluntary resolution of the complaint, if possible, which may result in a conciliation agreement. A conciliation agreement may be executed only with the consent of all parties. If the parties sign a conciliation agreement, HUD or the FHAP agency will end its investigation and close the case. If attempts at conciliation fail, the investigation will proceed.

Will I have to pay for a lawyer if my case ends up before a judge?

No. If HUD or a FHAP agency investigates and finds reasonable cause to believe that discrimination occurred and your case does not settle after such a finding, your case will be heard in either an administrative hearing or in a court of law. In this situation, your case will be handled by a **government attorney at no cost to you**.

What happens to my complaint if HUD or the FHAP agency finds that no discrimination occurred?

If HUD or the FHAP agency finds no reasonable cause that discrimination occurred, your case will be closed and the respective agency will send you notification explaining why your case was closed. Even if HUD or the FHAP agency finds no reasonable cause, you still have the right to file a private civil lawsuit in court, but you must file within a required timeframe, not counting the period during which HUD or the FHAP agency investigates and pursues your case.

What happens if HUD or a FHAP agency finds reasonable cause to believe that discrimination occurred against me?

The Fair Housing Act and substantially equivalent fair housing laws allow you to elect how your complaint will be handled. This allows you to decide whether your case will be heard in an administrative hearing or in court. After reasonable cause is found, parties will be asked to “elect” one of these forums.

What happens if I decide or the respondent decides to have my complaint resolved in an administrative hearing?

If your case goes to an administrative hearing HUD or FHAP agency attorneys will litigate the case on your behalf free of charge. In addition, you may intervene in the case and hire your own lawyer at your own expense. In the HUD context, an Administrative Law Judge (ALJ) will consider evidence from you and the respondent. If the ALJ decides that discrimination occurred the respondent may be ordered to:

- Compensate you for actual damages, including humiliation, pain and suffering;
- Provide other options for relief, for example, make mortgage loans available with nondiscriminatory terms;
- Pay the federal government a civil penalty to vindicate the public interest. The ALJ will assign the appropriate penalty for the first violation and will increase the level of penalties if additional violations have occurred; and
- Pay you reasonable attorney's fees and costs.

What happens if I or the respondent decides to have my complaint resolved in court?

Should you decide to have your case heard in court, HUD will refer your case to the U.S. Department of Justice (DOJ). DOJ will file a civil lawsuit where the discrimination allegedly occurred. Government attorneys will litigate the case on your behalf. In addition, you may intervene in the case and hire your own lawyer at your own expense. A FHAP agency will have a similar process if you or the respondent elects to have the complaint resolved in court. Either you or the respondent may request a jury trial. If the judge or jury decides that discrimination occurred, the respondent can be ordered to:

- Compensate you for actual damages, including humiliation, pain and suffering;
- Provide other options for relief, for example, make mortgage loans available with nondiscriminatory terms;
- Pay the federal government a civil penalty to vindicate the public interest. The Federal Court Judge will assign the appropriate penalty or the first violation and will increase the level of penalties if additional violations have occurred; and
- Pay reasonable attorney's fees and costs.



