



## ***NORTHWEST FAIR HOUSING ALLIANCE***

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35 West Main Avenue Suite 250 ♦ Spokane, WA 99201 ♦ (509) 325-2665 ♦ Fax (866) 376-6308

### **SUMMARY**

2015 FHIP FHOI Grant FH800G15016

### **I. PROGRAM GOALS AND OBJECTIVES**

Northwest Fair Housing Alliance (NWFHA) received a \$500,000 funding award from the Department of Housing & Urban Development (HUD) pursuant to the FY15 Fair Housing Initiatives Program (FHIP) Fair Housing Organizations Initiative (FHOI) to conduct an 18-month project that commenced January 1, 2016 and ended on June 30, 2017. During the 18 months of this grant, NWFHA provided fair lending enforcement services to members of all protected classes covered by the Fair Housing Act in 17 counties in Eastern/Central Washington: Whitman, Garfield, Columbia, Asotin, Walla Walla, Grant, Adams, Lincoln, Douglas, Ferry, Okanogan, Pend Oreille, Spokane, Yakima, Benton, Stevens, and Franklin. NWFHA also carried out specific program activities designed to combat lending discrimination targeted at persons with disabilities and pregnant women in its service region. NWFHA also provided technical assistance and oversight of lending testing by 3 other fair housing organizations in Region X in W. WA, AK, and ID. As set forth in the Statement of Work, specific goals for the 18 months of the grant period included:

- Conduct five (5) direct mailing PSA campaigns in Eastern Washington
- Conduct 15 intake interviews to screen and evaluate for fair lending and mortgage scam issues
- Assist individuals with fair lending allegations and counsel (intake) on fair lending matters
- Refer all fully jurisdictional fair lending complaints arising from FHIP funding to HUD
- Continue advocacy for 3 fair lending complaints referred to HUD/WSHRC under FY11 FHOI-MRC and FY13 FHOI-L grants
- Continue advocacy for 3 agency complaints to WA DFI under FY13 FHOI-MRC grant
- Review/refine testing methodology and tester training materials for fair lending testing
- Recruit 40 testers and offer fair lending tester training opportunities throughout WA, ID, and AK
- Train testing staff at three (3) Region X FHIPs to conduct fair lending testing using NWFHA's testing methodology, in furtherance of systemic fair lending investigations
- Provide ongoing technical assistance to the three (3) Region X FHIPs trained
- Conduct systemic investigations across WA, ID, and AK by coordinating 265 fair lending tests.

- Update and print NWFHA fair lending brochures. Translate 2 brochures (*Facts and Tips for Homebuyers with Disabilities* and *Fair Lending Dos and Don'ts For Homebuyers*) into Russian
- Evaluate testing results and complaint data internally to generate increased enforcement actions by HUD
- Broadcast (2) existing previously HUD approved NWFHA Fair Lending PSAs, or customizable NFHA/HUD created Fair Lending PSAs on TV
- Publish 6 English & 6 Spanish print PSAs in Tu Decides
- Broadcast 2 radio PSAs on KYRS and KDNA in English & Spanish
- Enhance and update NWFHA's E. WA Lending Awareness webpage with fair lending, housing counseling, foreclosure avoidance, and mortgage rescue scam information, in English and other languages
- Update and print NWFHA's regional E. Fair Lending and Mortgage Rescue Scam Awareness brochures. Translate 2 brochures into Russian
- Distribute 1000 English, Spanish and Russian fair lending and rescue scam brochures
- Provide (18) fair lending trainings for mortgage originators using NMLS approved CE hour curriculum
- Update as needed existing NMLS approved live, internet, and webinar CE fair lending curriculum and submit to NMLS for approval
- Prepare annual summary of NWFHA fair lending complaint and testing data for E.WA and publish on NWFHA website

## **II. OUTPUT GOALS AND OUTPUT RESULTS/ ACHIEVEMENT OUTCOME GOALS END RESULTS**

### **SUMMARY OF ACCOMPLISHMENTS:**

During the 18-month period of the grant (1/1/15-6/30/17), NWFHA's output results met or exceeded the output goals:

- Conducted 6 direct mailing PSA campaigns in Eastern Washington
- Conducted 18 intake interviews to screen and evaluate for fair lending and mortgage rescue scam issues
- Assisted 5 individuals with fair lending allegations and counsel on fair lending matters
- Continued advocacy and resolved 3 fair lending complaints referred to HUD under FY11 FHOI-MRC and FY13 FHOI-L grant
- Continued advocacy and resolved 3 agency complaints referred to WA DFI under FY13 FHOI-L grant
- Reviewed and refined testing methodology and tester training materials for fair lending testing
- Recruited 72 testers and offered fair lending tester training opportunities throughout WA, ID, and AK
- Trained testing staff at 3 Region X FHIPs to conduct fair lending testing using NWFHA's testing methodology
- Provided ongoing technical assistance to the 3 FHIPs trained under SOW #31

- Conducted systemic investigations across WA, ID, and AK by coordinating 275 tests fair lending tests
- Translated 2 brochures (*Facts and Tips for Homebuyers with Disabilities* and *Fair Lending Dos and Don'ts for Homebuyers*) into Russian
- Broadcast 2 radio PSAs on KYRS and KDNA in English & Spanish
- Broadcasted 2 PSAs on TV
- Published 6 English & 6 Spanish print PSAs in Tu Decides
- Enhanced and updated NWFHA's Eastern WA Lending Awareness webpage
- Distributed 1,542 English, Spanish, and Russian fair lending and rescue scam brochures
- Provided 26 fair lending trainings for mortgage originators, service providers, and consumers using NMLS approved CE hour curriculum
- Updated NMLS approved live, internet, and webinar CE fair lending curriculum and submitted it to NMLS for approval

**INTAKES AND INQUIRIES:**

**NWFHA LENDING INQUIRIES AND INTAKES, 1/1/15-6/30/17**

	<b>Race</b>	<b>Color</b>	<b>Nat Or</b>	<b>Dsblty</b>	<b>Gndr</b>	<b>Fam Sts</b>	<b>Religion</b>	<b>Any</b>	<b>Totals</b>
<b>Intake Interviews</b>	1		1	3		3		10	<b>18</b>
<b>Allegations</b>			1	2		1		1	<b>5</b>

**TESTING:**

NWFHA's Fair Lending Investigator travelled to the offices of the three subgrantee agencies, Intermountain Fair Housing Council (IFHC); Alaska's Fair Housing Enforcement Project (AFHEP); and Fair Housing Center of Washington (FHCW), to train their testing staff to conduct fair lending testing using NWFHA's testing methodology, in furtherance of systemic fair lending investigations. Following these in-person trainings, NWFHA provided ongoing technical assistance and oversight to the staff at the three subgrantee agencies, as those staff trained lending testers and coordinated lending tests.

NWFHA and its subgrantee agencies recruited and trained a total of 72 lending testers under this grant. Testers were recruited using advertising in online bulletin boards; networking among staff acquaintances; community fairs and events; and by contacting advisers of special interest groups at local colleges. All of these testers received lending tester training prior to completing any lending testing. The quality of these testers' tests, narratives, and report forms has been further honed throughout the course of this grant, and NWFHA and its subgrantee agencies continue to maintain a highly skilled pool of lending testers for future testing.

- 72 new lending testers were recruited and trained to conduct lending testing
  - NWFHA trained 10 lending testers
  - IFHC trained 18 lending testers
  - AFHEP trained 26 lending testers
  - FHCW trained 18 lending testers

NWFHA staff used LendingPatterns software to analyze the HMDA data, in conjunction with census data mapping and testing results from previous grants to strategically choose subjects of interest for lending test investigations based on each subject’s loan origination/denial disparities, history of service to underserved and/or minority populations, and location. Subjects of interest which do not report under HMDA were then chosen at random from internet listings in order to test loan originators and brokers of all sizes.

During this project, NWFHA coordinated or oversaw the coordination of:

- 275 fair lending tests (exceeding goal of 265)
  - NWFHA: 70 tests
  - IFHC: 65 tests
  - AFHEP: 65 tests
  - FHCW: 65 tests

NWFHA coordinated or supervised the coordination of 275 fair lending tests under this grant. Of these, 62 were based on national origin (Native American), 27 based on sex, 112 tests were based on sex/familial status, 35 were based on disability, and 39 based on race.

61 tests indicated a discriminatory lending practice or treatment (27 based on national origin; 2 based on sex, 7 based on sex/familial status; 5 based on disability; and 20 based on race).

**TESTING RESULTS**

	<b>Clear differences or discriminatory policy</b>	<b>No clear differences or discriminatory policy</b>	<b>Inconclusive,* requires further testing</b>
<b>Total</b>	<b>61</b>	<b>166</b>	<b>48</b>

\* Reasons for tests being rated “inconclusive”: Insufficient information was provided to determine whether there was different treatment (i.e. - the loan officer was unclear regarding subject’s lending policies); significant differences appeared in the treatment or information provided by loan officer but those differences did not clearly benefit one tester over the other; schedule conflict or confusion prevented test completion; tester error or delay; multiple phone messages not returned by test subject.

**ENFORCEMENT PROPOSALS:**

NWFHA is reviewing enforcement proposals to HUD FHEO based on the results of the tests completed during this grant.

**EDUCATION/OUTREACH ACTIVITIES:**

NWFHA participated in a variety of education and outreach activities in Eastern and Central WA, particularly focused on providing information about the Fair Housing Act’s fair lending protections and NWFHA’s services to service providers and potential borrowers in low-income and minority communities.

During this grant, NWFHA:

- Broadcast 2 public service announcements on television
- Published 6 English & 6 Spanish print public service announcements in Tu Decides
- Broadcast 2 radio public service announcements on KYRS and KDNA in English & Spanish
- Updated and printed NWFHA's *Facts and Tips for Homebuyers with Disabilities* and *Fair Lending Dos and Don'ts for Homebuyers* and translated the 2 brochures into Russian
- Distributed 1,542 English, Spanish and Russian fair lending and rescue scam brochures
- Attended Unity in the Community, MLK, Jr. community event, and the Pride festival (all in Spokane, WA), where NWFHA staff ran a service provider booth, fielding fair lending questions from community members
- Spoke both over the phone and in person with representatives from area service agencies regarding NWFHA's fair lending program and services, and advised these representatives of NWFHA's fair lending training opportunities. These agencies include but are not limited to:
  - WA Department of Financial Institutions
  - WA Attorney General's Office
  - Northwest Justice Project
  - SNAP Housing Counseling
  - Money Management International
  - Spokane Low Income Housing Consortium
  - Columbia Legal Services
  - ARC of Spokane
  - Coalition of Responsible Disabled
  - Spokane NAACP
  - Spokane Center for Independent Living
- Spoke both over the phone and in person with representatives from service area loan officers and mortgage brokers regarding NWFHA's fair lending program and services, and advised these representatives of NWFHA's fair lending training opportunities. These institutions include but are not limited to:
  - Washington Trust
  - REMAX Realty
  - Opes Advisors
  - Chimney Rock
  - Horizon Credit Union
  - Franklin Loan Center
  - Windermere Real Estate
  - Eagle Home Mortgage
  - Washington State Employees Credit Union
  - Fairway Mortgage

To assist with outreach and education, NWFHA maintains strong working relationships with many varied organizations throughout our service area, including the following selected representative organizations:

- Spokane Neighborhood Action Program (SNAP) Housing Counseling
- Money Management International

- Colville Rural Resources
- Spokane County Title
- WA Trust Bank
- Gonzaga Law School Consumer Law Clinic
- Lower Valley Crisis and Support
- *Tu Decides*, Pasco, WA
- ARC of Spokane
- Northwest Justice Project (NJP)
- Columbia Legal Services
- Opportunities Industrialization Center (OIC), Granger and Yakima, WA
- Center for Justice, Spokane, WA
- Washington State Human Rights Commission (WSHRC)
- Radio KDNA- Granger, WA
- HUD Region X and Spokane Field Offices
- Eastern Washington University

### **III. CONCLUSION**

The activities reported on in NWHFA's Quarterly Reports and supporting documentation show that its objectives were met and, in a number of instances, exceeded. Overall, this project has enhanced the capacity of Northwest Fair Housing Alliance and 3 other fair housing organizations to provide effective fair lending enforcement services in Region X.