

**Statement of Chairman Sherrod Brown**  
**“Separate and Unequal: The Legacy of Racial Discrimination in Housing”**  
**April 13, 2021**

On Sunday, we marked the 53<sup>rd</sup> anniversary of the passage of the Fair Housing Act.

53 years ago, jarred by the assassination of the Reverend Dr. Martin Luther King, our country finally made it illegal to refuse to sell a home or rent an apartment to someone based on the color of their skin.

This was an historic moment and a hard-fought victory for civil rights activists. And it was not so long ago when you look at the long arc of history.

Black Americans had endured centuries – that’s generation after generation after generation – of slavery, only to be locked into second-class citizenship by the Black Codes and Jim Crow laws that made it nearly impossible to get a good-paying job, keep a reliable bank account, and – as we all know – even to vote.

As my friend Joyce Beatty said recently, we cannot change our history. But we can learn from it, and we can build a far better future – one that brings us closer to making our founding ideals real for everyone.

Fair housing took longer to pass through Congress than voting rights, desegregation of public spaces, and even equal opportunities for employment.

As important as these advancements were, they did not come in time to help communities of color benefit from the historic investments we made in American families and communities in the last century.

Beginning with the New Deal and continuing through the 1960s, we tried a new, grand experiment in this country – we invested in workers and in the infrastructure they needed to succeed. And in the process, we built the largest, broadest middle class the world has ever seen.

But that deal remains unfinished – too many were purposefully left out.

We created the Federal Housing Administration to make the dream of home ownership, and the wealth that comes with it, available to millions more families.

But FHA limited its loans to neighborhoods that were deemed “good” investments – neighborhoods with white, non-immigrant residents. Neighborhoods with Black and immigrant residents and near industrial sites were “redlined” and called “hazardous.”

From 1934 to 1968, FHA helped finance more than \$120 billion worth of loans – and 98 percent went to white borrowers.

We put Americans to work building the interstate highway system, the infrastructure that would unleash new levels of American prosperity.

But federal highways cut through Black and minority neighborhoods, severing tight-knit communities and destroying homes and small businesses, replacing them with traffic and pollution.

Following these decades of exclusion and destruction, the Fair Housing Act offered enormous promise. It didn’t just ban racial discrimination – it also required that new federal funds be used in ways that would affirmatively further fair housing.

In other words, we recognized it wasn't possible to start from scratch. Our housing system had our history woven into it, and we would need to take active steps to include Black Americans, and all those who been left out.

George Romney, the father of our colleague, became HUD Secretary the year after the Fair Housing Act was passed. He set out to fulfill that mission – to require communities to use their federal grants to build better housing and take active steps to include everyone, as required by the law.

But he didn't get very far. President Nixon and his Southern Strategy blocked Secretary Romney's implementation of the Fair Housing Act...and it stayed that way for decades.

Housing discrimination was illegal beginning in 1968, but communities of color lived in the cities we'd already built and then abandoned, and lived with the wealth inequality we'd already grown.

Minority communities continued to lose out on investment.

FHA no longer used redlining maps, but communities of color still saw banks take their deposits, and still refused to make them mortgage loans.

Congress passed the Community Reinvestment Act, requiring banks to serve the communities whose money they relied on to make profits. But the same neighborhoods – the ones that had red lines drawn around them a few decades earlier – never got the same investment that others did.

And nearly three decades later, lenders seemed to finally discover the minority communities they'd been neglecting for decades. But that discovery didn't lead to positive investment to help communities build wealth and grow new businesses.

Instead, predatory lenders wiped out the hard-won gains Black and brown families had made in the years since 1968. They targeted people in lower-income and minority communities for predatory subprime loans and refinances.

In 2003, President Bush's HUD Secretary, Mel Martinez, told this Committee that predatory lending posed, quote, "a significant danger to minority and women homeowners targeted for equity-stripping loans," and that some loans had "abusive terms and conditions" that may violate the Fair Housing Act.

And of course, we all know what happened. We remember the foreclosures that swept through neighborhoods in waves. We remember the signs that went up on home after home.

Black and Latino homeowners were 70 percent more likely to face foreclosure.

Today, Black, Latino, and Asian families are far less likely to own a home than white families. The Black homeownership rate is as low as it was 53 years ago, when housing discrimination was still legal.

The wounds of redlining remain as fresh as ever.

We know where you live determines so much about your life – what school your kids go to, the kinds of jobs available, how far you have to travel to get to work, the air you breathe, the water you drink, even how long you live.

Residents in those neighborhoods that were systematically excluded from investment – many of them people of color – have lower life expectancies and are more likely to have preexisting conditions.

Take a walk around Cleveland, where you can still see the scars of the foreclosure crisis in the same neighborhoods that were colored in red in the maps of the 1930s.

Come to my zip code, 44105, where we had the most foreclosures in the country in the first half of 2007.

And in these same neighborhoods, you'll find higher rates of lead exposure, toxic pollution and infant mortality. Take a look at maps of COVID-19 deaths – they match up with those redlining maps pretty well.

Our past is still determining people's lives today. That's why this hearing, and the work of this committee, matters.

We can't change our history – but that cannot mean we throw up our hands and tell millions of Americans, “sorry, this is the best we can do.”

We know it's not.

Remember all those infrastructure investments we made in the 1930s, and in the years after World War II? Remember how we created millions of new homeowners and grew the middle class?

There is no reason we can't do the same thing again – but this time, we bring everyone along.

On this Committee, we have an opportunity to address the legacy of housing discrimination. And we have an obligation, under the law that this body passed 53 years ago, in the wake of Dr. King's assassination.

I look forward to hearing from today's witnesses about how we can begin to do that.

