

# TURNING BACK THE CLOCK

## How the Trump Administration Has Undermined 50 Years of Fair Housing Progress

**U.S. Senate Committee on Banking, Housing, and Urban Affairs**

**Minority Staff Report**

Ranking Member Senator Sherrod Brown

*September 2020*



# EXECUTIVE SUMMARY

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**More than 50 years after Congress passed the Fair Housing Act, access to housing remains unequal.** The contours of our country are still defined by “Black,” “Latino,” “Asian,” or “white” neighborhoods – all with very different levels of access to resources like schools and grocery stores, and experiences with health care, pollution, and public safety.

- In 2020, the Black homeownership rate is just 47 percent and the Latino homeownership rate is just 51 percent, compared to a white homeownership rate of 76 percent.
- Black and Latino renters are more likely to pay more for housing than they can afford than white renters.

**This is not an accident.** This is by design. The inequities we see today are pernicious hallmarks of decades of government policies and discrimination in the financial system that blocked Black and brown households from achieving equal housing opportunity. For years, the federal government actively promoted housing segregation and discrimination. It was not until Dr. Martin Luther King, Jr.’s assassination in 1968 that Congress finally passed the Fair Housing Act to outlaw discrimination and promote integrated communities. Over the next four decades, reforms to banking laws and housing programs helped facilitate modest gains in homeownership for people of color, but predatory lending still disproportionately targeted borrowers of color. The 2008 financial crisis eviscerated gains in homeownership and wealth that Black and brown communities had fought hard for over the 40 years since the Fair Housing Act passed. Now, the health and economic effects of the COVID-19 pandemic, which are again disproportionately hurting communities of color, threaten to set these same communities back further.

Congress and the Obama Administration took steps to address the 2008 losses by identifying and combating discriminatory lending. Their efforts included steps to – finally – fully implement the 1968 Fair Housing Act by giving communities the tools they need to identify barriers to housing and economic opportunities.

**The Trump Administration is systematically undermining the progress that has been made over the past 50 years.** Over the past three and a half years, the President and his appointees have carried out a blueprint for policy-making that dismantles foundational housing civil rights protections. The Trump Administration has:

- Rolled back enforcement against systemic fair housing and fair lending violations;
- Undermined fair housing enforcement by making it all but impossible to root out discriminatory housing policies, while also slashing data collection to identify mortgage discrimination;
- Impeded the ability of state and local governments to identify barriers to and build more inclusive communities;

- Gutted rules to ensure banks provide access to credit and invest in low- and moderate-income communities and communities of color;
- Proposed changes to the housing finance system that will make mortgages more expensive and harder to get, particularly for borrowers of color;
- Denied access to home financing for Deferred Action for Childhood Arrivals (DACA) recipients and proposed to lock many immigrant families and children out of vital housing assistance; and
- Proposed to allow federally funded shelter providers to disregard transgender individuals' gender identity in providing shelter and to allow these shelter providers' religious views to inform who they serve and how, threatening the rights and safety of Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) individuals.

Taken together, these policies are a devastating retreat from the progress of the civil rights movement and undo the foundation for a more just society, built through more than 50 years of law, Supreme Court rulings, and policy.

**Congress and the Trump Administration must immediately reverse course on harmful policies that would further disinvest from communities and allow housing discrimination to go unchecked.** Federal regulators and agencies, including the U.S. Department of Housing and Urban Development (HUD) and the Consumer Financial Protection Bureau (CFPB), must:

- Restore the Fair Housing Act to its full strength by keeping or reinstating rules to root out discriminatory policies, provide tools to help communities create more inclusive housing markets, and require data collection to identify and root out home lending discrimination;
- Expand the tools for state and local governments to evaluate barriers to equity and inclusion in their own communities;
- Provide strong fair housing and fair lending oversight; and
- Maintain and expand meaningful investment in all communities by strengthening, not gutting, banks' commitment under the Community Reinvestment Act.

Congress must also act to:

- Provide long-overdue investments in housing and community development in communities of color that have been ignored by the federal government for far too long;
- Invest in fair housing enforcement; and
- Break down barriers to homeownership and redesign our housing finance system so that it better serves Black and brown communities.

Housing inequality is the result of decades of government policies and a discriminatory financial system that have at times created and often reinforced segregated housing and denied Black and brown people the ability to choose where they live and build wealth through homeownership. If we aspire to be a more inclusive and equal nation, we cannot ignore the injustice that is built into our nation's housing and communities. We must, as a country, finally reckon with these institutionalized inequities and address systemic racism. This report documents the Trump Administration's dismantling of our fair housing and fair lending laws, and sets out a path to reform and renew our nation's commitment to those civil rights protections. That begins by standing up to the Trump Administration and its congressional allies in their efforts to gut our nation's fair housing laws. It also requires that Congress fulfill the promise of the Fair Housing Act and make long-overdue efforts to promote equity and investment in housing.