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HOPE Fair Housing Center, Open Communities, South Suburban Housing Center, and Other Fair Housing Groups Reach Historic Settlement with Fannie Mae Focused on Rebuilding Communities of Color

The settlement will directly and immediately benefit the communities of color throughout the Chicago/Gary regions and nationwide hit hardest by the foreclosure crisis and its aftermath.

Today, HOPE Fair Housing Center, Open Communities, South Suburban Housing Center along with the National Fair Housing Alliance (NFHA) and 17 other local fair housing organizations throughout the country, reached a landmark [\\$53 million agreement](#) with Fannie Mae (formally known as the Federal National Mortgage Association) to resolve a case arising from allegations that Fannie Mae treated foreclosed homes in communities of color unfavorably. The settlement will help rebuild and strengthen communities of color in 39 metropolitan areas including Chicago, IL and Gary, IN. In the case, [plaintiffs alleged](#) that Fannie Mae maintained and marketed its foreclosed homes in predominantly White neighborhoods while allowing similar homes in communities of color to fall into disrepair and that this differential treatment exacerbated the damage caused by the 2008 mortgage crisis and impeded recovery from the crisis in neighborhoods of color. The case was the first time a federal court confirmed the nation's fair housing laws cover the maintenance and marketing of Real Estate Owned (REO) properties.

"Open Communities is proud to be part of the collaboration within the Fair Housing enforcement community to bring this issue to the forefront. The success in this case brings us one step further in the advancement of racial equity in housing in the Chicago metropolitan area," said Cheryl Lawrence, CEO of Open Communities.

"This resolution provides desperately needed resources to kick start distressed housing markets in communities of color throughout metropolitan Chicago including the Gary, Indiana area," remarked John Petruszak, South Suburban Housing Center's Executive Director.

"This settlement demonstrates the absolute necessity of collaborative advocacy across the nation's fair housing movement, and signals to the many communities in our region still reeling from the foreclosure crisis that their struggle will not be swept under the rug," commented Michael Chavarria, Executive Director of HOPE Fair Housing Center.

The plaintiffs' 2016 allegations against Fannie Mae arose after a comprehensive, four-year investigation of more than 2,300 Fannie Mae-owned foreclosed properties in 39 metropolitan areas in the country. Of those properties, 378 were located in the Chicago and Gary metropolitan areas. The plaintiffs collected more than 49,000 photographs revealing poorly maintained

properties in Black and Latino communities, particularly as compared to properties in predominantly White neighborhoods.

Today's agreement has far-reaching implications. HOPE Fair Housing Center, Open Communities, South Suburban Housing Center, and the other plaintiffs will invest the vast majority of the settlement monies directly back into the communities they allege were harmed by Fannie Mae's conduct. Specifically, plaintiff organizations will use over \$35 million of the settlement to promote home ownership, neighborhood stabilization, access to credit, property rehabilitation, and residential development in the 39 metropolitan areas at issue in the case, including Chicago, IL and Gary, IN. The plaintiffs will manage and disburse the settlement funds, providing much-needed grants, including for down-payment assistance for first-generation homebuyers and renovations for homes that languished in foreclosure. The grants will also include innovative programs and partnerships to promote fair housing.

Fannie Mae has implemented practices that will help avoid similar harmful treatment of communities of color in the future, including increasing its oversight of maintenance of properties it owns, prioritizing owner-occupants rather than investors as purchasers of REOs, and ensuring that it complies with fair housing laws, including by providing fair housing training to its employees and vendors.

HOPE Fair Housing Center, Open Communities, South Suburban Housing Center, and the other fair housing groups are represented by noted civil rights law firms Relman Colfax PLLC and Dane Law LLC. The organizations were also represented by Morgan Williams, NFHA's General Counsel, and Julia Howard-Gibbon, Supervising Attorney of Fair Housing Advocates of Northern California.

U.S. Department of Housing and Urban Development grants supported the investigation into potential disparities in the maintenance and marketing of REO properties. The author and publisher of this press release are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.

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HOPE Fair Housing Center works to create greater housing opportunities for all. We want to ensure everyone has the chance to live in the community/home/apartment of their choice free from discrimination based on race, color, religion, national origin, sex, disability, familial status, or any other characteristics protected under state or local laws. HOPE accomplishes this through education, outreach, enforcement, training, and advocacy.

Open Communities' mission is to educate, advocate and organize to promote just and inclusive communities in north suburban Chicago. Open Communities is a leading voice for housing, economic and social justice in north suburban Chicago, working to promote inclusive communities that are welcoming to all.

South Suburban Housing Center's mission is the promotion and fostering of long-term diversity throughout all communities in Chicago's South and Southwestern suburbs in Cook, Will and Kankakee Counties, and Northwest Indiana by working to eliminate all forms of discrimination and exploitation in the housing markets.