

OPENING STATEMENT OF  
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**“FIGHTING DISCRIMINATION AGAINST THE DISABLED AND  
MINORITIES THROUGH FAIR HOUSING ENFORCEMENT”**  
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Good afternoon Chairwoman Roukema, Chairwoman Kelly, Ranking Member Frank.

It has been more than three decades since the passage of the Federal Fair Housing Act and we can still see, hear and experience housing discrimination almost the same way we did more than 30 years ago.

In 2000 alone, federal agencies received more than 22,000 complaints. It's a tell tale sign that out of these numerous complaints, race was the most commonly reported discrimination, followed by disability and familial status. Last year, the number of complaints increased to approximately 23,500. But these numbers do not really tell the whole story. HUD estimates that more than 2 million instances of housing discrimination occur every year.

It has been documented that victims of housing-related discrimination or hate activity feel isolated, shocked, afraid and vulnerable. It is typical for these victims to decide NOT to report their cases because they may fear retaliation, mistrust the law enforcement, have cultural or language barriers, or fear deportation. This helps to explain why illegal-housing practices experienced by members of racial minorities and other groups are still seriously underreported.

Audit investigations conducted in some cities with high percentages of minorities indicate that Hispanics seeking rental units in some areas face discrimination more than 70 percent of the time. This legacy of housing discrimination in the U.S. has forced many people to grow up in segregated communities. It has been proven that segregated neighborhoods have or tend to have segregated schools. And we all know that racial isolation in our neighborhoods and schools fosters the growth of stereotypes, which causes prejudices, which ultimately leads to hate.

I believe that we can all agree that if our communities were racially and ethnically integrated, our nation would be much more tolerant, and many of our current problems involving discrimination for reason of disability, race and socio-economic status would decrease dramatically.

Our nation's heartland seems to be stubbornly segregated. According to the best information available, the cities of Chicago, Detroit, Milwaukee, Cleveland and St. Louis all ranked among the 10 metropolitan areas with the most black-white segregation. At the same time, Hispanics in Chicago, Cleveland and Milwaukee live in more pronounced segregation than Latinos in any other major metropolis. In fact, segregation for Latinos is greater in Chicago than in any other major

metropolitan region in the country.

How can we live together as one nation and claim to be united if half of our country is systematically not allowed to live together in the small communities?

Let us remember that homeownership has always been central to the realization of the American dream. Our government offers substantial tax benefits to those who own compared to those who rent their homes. Homeownership creates family wealth and determines access to education in communities lacking affordable rental housing. However, African-American and Latino families lag far behind Caucasians in homeownership and are grossly underrepresented in most newer suburban communities.

Housing segregation, often reinforced by municipal and educational separation and the migration of minority families into neighborhoods far removed from suburban growth centers, is exacerbating racial and ethnic inequalities. The consequences of this segregation in our metropolitan areas is an uneven patchwork of “have” and “have not” communities. These community divisions are matched with educational opportunities, because almost every city and town has its own school district. An immediate concern is that this housing pattern is likely to perpetuate a *de facto* highly segregated school system that is likely to have disastrous consequences for the educational opportunity of minority and low-income students.

Let us remember the sad but true direct correlation between segregation and poor schools, with in turn means fewer resources for Black and Latino children who attend them. The districts where minorities are finding a significant number of homes are not among those with a high percentage of residents reaching a higher education. Coincidence? Unlikely.

Research shows that economic differences alone cannot explain the highly segregated pattern of housing choices because serious racial segregation continues to exist within each economic group. Though we could say that the causes of segregation are multiple and complex, I think that the majority of us here today might agree that one of the most important reasons for the sluggish movement toward diversity is the housing industry affair with something that looks to be like racist tendencies.

Let me point out some facts:

- Overall, the incidence of housing discrimination is estimated at 56 percent for Black renters; 50 percent for Hispanic renters; 59 percent for Black homebuyers; and 56 percent for Hispanic homebuyers. When seeking housing, Blacks and Latinos will experience discrimination twice as much as any other group.
- \$ After race, families with children (of all races) comprise the second largest category of alleged discrimination, with an average of one in four complaints citing this basis.
- \$ An analysis of home equity by the Brookings Institution found that Black homeowners typically receive 18 percent less value for their homes than White homeowners.

§ Conventional mortgage loans denial rates of 53 percent for blacks and American Indians and 38 percent for Hispanics, compared with 25 percent for whites.

Unfortunately, people who work hard, maintain good credit and have strong references are still being discriminated against because of the color of their skin, because they have small children, or because they suffer from a disability.

It is obvious that the existing and widespread housing industry practices, procedures or habits are directly interrelated with discrimination. The Fair Housing Act mandates that HUD must protect the right of access of all Americans to fair housing. To achieve that, changes in housing markets must happen. But they are unlikely to occur without changes in funding mechanisms.

Section 504 prohibits discrimination on the basis of disability in programs, services and activities that receive financial assistance. One of the goals of Section 504 is to provide guidance to persons with disabilities about their rights and to exercise those rights. However, this section can only serve its purpose if we have HUD employees who are educated on this section and know how to apply it.

Fair housing efforts have long been under-funded and under-valued. At the same time, the economic and societal costs of housing discrimination and segregated housing patterns continue to be overwhelming.

Some successful plans such as the Fair Housing Education Programs have proven to be effective in alerting consumers to their rights and how to obtain remedies to acts of housing discrimination. Another successful example is the funding of investigations of homeowners insurance companies made by private fair housing groups. These investigations, funded by the Federal Housing Initiatives Program, have led to pioneering settlements with some of the nation's largest insurers who led the industry in changing underwriting guidelines and providing quality homeowners insurance products in urban markets throughout the U.S.

Nowadays, private fair housing organizations process the overwhelming majority of all reported complaints of housing discrimination. In fact, during 2000, private fair housing groups received more than twice as many complaints as government agencies combined. Yet, as complaints to fair housing groups have risen, funding for these organizations, under the Fair Housing Initiatives Program administered by HUD, remains flat.

It is time for Congress to allocate additional funds to HUD's Office of Fair Housing and Equal Opportunity in an amount sufficient so that this office can process all housing discrimination complaints in a timely and effective manner. That is, in 100 days or preferably less, as it should be in accordance with the Fair Housing Act and not in 500 days as it takes now.

Inequality in housing doesn't happen in a vacuum. It is there for each of us to see it, feel it, hear it, fight it, ignore it, profit from it, suffer from it, tolerate it, initiate it, provoke it, perpetuate it or die from it. We need to work together so that discrimination soon becomes only a painful memory and does not remain an ever-happening reality.

We must keep this fair and brave fight alive: A man or a woman's right to find, purchase and finally own his or her own home. This is part of the American freedoms of hope and home.

I look forward to hearing all of the testimonies.