

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING INITIATIVES PROGRAM

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal FC: Promote participation of faith-based and community organizations.			
Discretionary BA (Dollars in Thousands)
FTE			
Headquarters	0	3	3
Field	0	0	0
Subtotal	...	3	3
S&E Cost (Dollars in Thousands)			
Personal Services	...	\$252	\$259
Travel	0	0	0
Transportation of Things	0	0	0
Rent, Communications & Utilities	0	0	0
Subtotal	...	252	259
Strategic Objective FC.3: Expand technical assistance resources deployed to faith-based and community organizations.			
Indicator: At least two new fair housing groups are funded by FHIP through collaborative efforts between fair housing and community or faith-based organizations.	2	2	2

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

The Office of Fair Housing and Equal Opportunity proposes no FHIP program funding and \$259 thousand in Salaries & Expenses funding to support Strategic Goal FC: Promote participation of faith-based and community organizations.

HUD is the Federal agency responsible for national policy and programs that address America's housing and community development needs. To help accomplish HUD's mission, nonprofit organizations, including those that are faith-based, have sought and successfully used HUD programs since the mid-1970s. Throughout the last 25 years, the number of grants and the amount of funds awarded to non-profits and faith-based organizations have increased steadily. Despite these successes, however, there have been challenges-particularly for smaller, grassroots groups. These involved citizens-spiritual leaders, business groups, and nonprofit organizations-constitute community organizations that are not widely known, but whose expertise we cannot afford to ignore.

The FHIP program for fiscal year 2004 is structured to respond to the finding of the 3-year National Discrimination Study as well as related studies reflecting the need to expand education and outreach efforts nationally recognizing continual high level of discrimination. The Department is requesting a substantial increase in Education and Outreach from \$6 million in fiscal year 2003 to \$12.15 million in fiscal year 2004. These additional resources will support greatly enhanced education and outreach activities that are critical for success in our efforts

to reduce discrimination and to support fair housing enforcement by HUD. The FHIP statute recognizes that a broad range of entities have a role to play in this educational and outreach effort. Virtually any entity (public or private, for-profit or no-for-profit) that is working to prevent or overcome discriminatory housing practices is eligible to apply under this initiative.

Efforts will be placed on working with grassroots and faith-based organizations that have strong ties to groups identified by HDS 2000, particularly the growing Hispanic population, as being most vulnerable to housing discrimination. The fiscal year 2004 Budget will also build on the collaborative efforts between fair housing and community and faith-based organizations. Generally, community and faith-based organizations do not have the extensive experience educating the public on fair housing laws; however, they have constituencies and networks that would benefit from a better understanding of these laws. Among some communities, the involvement of faith-based organizations and social programs is vital. Through community and faith-based organizations, the Department will continue its efforts to build "bridges" between fair housing organizations and the constituents of faith-based and community organizations.

Combating Predatory Lending. Education of minorities, the elderly and women is vital to curbing the widespread damaging effects of predatory lending. In fiscal year 2004, the FHIP program will continue to fund a major education and public awareness campaign to combat predatory lending and support enforcement efforts. This will be funded as part of the Education and Outreach Initiative national program component. HUD proposes an increase for this particular component over the fiscal year 2003 level. The Department will work closely with all interested parties, including fair housing groups, consumer groups, Federal, State, and local governments, and the lending and real estate industries to put an end to predatory lending practices. Predatory lenders frequently target racial and ethnic minorities, the elderly and women for mortgage loans that have exorbitant fees and onerous conditions. These lenders employ deceptive and aggressive sales tactics that take unfair advantage of the borrower's lack of education and knowledge of mortgage loan transactions. This problem is compounded by the findings of a recent study titled "All Other Things Being Equal." The study examined the treatment African Americans and Hispanics receive when seeking a conventional mortgage loan, and found that lenders were more likely to offer less services and lower loan amounts to African Americans and Hispanics than to whites with comparable financial characteristics. When African Americans and Hispanics receive adverse treatment by mainstream lenders, they may be more vulnerable to the practices of predatory lenders.

The FHIP Notice of Fund Availability (NOFA) provides funding for a National Predatory Lending Awareness campaign and greater outreach to underserved populations, including those persons living in the Colonias. The NOFA recognizes the historic role faith-based or grassroots organizations have played in educating people on their civil rights and will encourage participation of these organizations.

HUD is focusing more attention on particular communities and enforcement needs that were not adequately addressed in the past (i.e. "colonias"). HUD's fiscal year 2002 NOFA and its fiscal year 2003 Budget emphasize fair housing projects that provide greater assistance to these communities.

Grassroots and Community and Faith-Based/Fair Housing Partnerships. This will be funded as part of the Education and Outreach Initiative Regional/Local/Community-Based Program. Although community and faith-based organizations often do not have extensive experience on educating the public on fair housing laws, they often have constituencies and networks that would benefit from a better understanding of these laws. Through community and faith-based organizations, the Department will continue its efforts to build "bridges" between fair housing organizations and the constituents of faith-based and community organizations.

Faith-based Partnerships in FHIP will positively affect the empowering of the public by: (1) encouraging networking of State and local fair housing enforcement agencies and organizations, (2) working in unison with faith-based organizations and (3) promoting a fair housing presence in places where there is little or no such presence.

Efforts will be placed on working with grassroots and faith-based organizations that have strong ties to groups identified by HDS 2000, particularly the growing Hispanic population, as being most vulnerable to housing discrimination.

Resource Management Information

No additional FTEs are requested.