

## Insurance Discrimination

The most common form of insurance discrimination is neighborhood-based discrimination, known as **redlining**. It has been defined as: Discrimination in insurance based on prohibited characteristics of the area, the neighborhood, the applicant, or the location of the property. There are variations on this theme that are included in differences in treatment. The most common of these is providing homeowners in minority areas with policies that pay losses up to a certain dollar limit, while providing homeowners in non-minority communities with replacement policies.

There has been discrimination in insurance, in part, because the insurance contract appears complicated. In the insurance marketplace, the following policies and practices may be discerned as violations of fair housing laws:

- Charging higher premiums based on race rather than risk
- Refusal to write insurance in a minority and/or integrated neighborhood
- Refusal to write standard or guaranteed replacement cost coverage in a minority and/or integrated neighborhood
- Establishing minimum insurance amounts in minority and/or integrated neighborhoods
- Limiting protection or benefits because of age or location of property for some persons and not for others
- Using credit reports to restrict or deny insurance
- Refusal to renew policies because of age or location of property for protected persons or neighborhoods
- Cancelling policies because of age or location of property for protected persons or neighborhoods

### Greene County Fair Housing

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## KNOW THE SIGNS OF HOUSING DISCRIMINATION

### Discrimination in Renting

- Falsely stating that an available unit has been rented
- Setting higher or lower rents, security deposits, or credit criteria for prospective tenants based on race, gender, disability, etc.
- Failure to respond to inquiries by prospective minority tenants
- Failure to provide prospective minority tenants with rental applications
- Falsely making negative statements to long-term tenants in an effort to encourage them to move so that rent can be raised

### Discrimination in Housing Sales

- Lying about or exaggerating sales terms in order to discourage certain home buyers or to price them out of the market
- Failure to inform prospective buyers about all available listings in their price range and desired locations
- Using stalling tactics to avoid showing a home to a buyer
- Steering prospective buyers only to racially segregated neighborhoods
- Refusing to negotiate with interested buyers
- Convincing home owners to sell at or below market value by falsely making negative claims about trends in the neighborhood (blockbusting)

### « Do You Need Advice? »

If you believe you have been a victim of housing, mortgage, or insurance discrimination, call HUD at (800)669-9777 or go to [www.hud.gov](http://www.hud.gov) for information about filing a complaint. You may also call the Ohio Civil Rights Commission at (888)278-7101 or file a complaint on-line at [www.crc.ohio.gov](http://www.crc.ohio.gov).



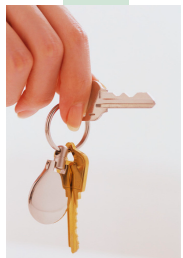
## FAIR HOUSING: IT'S YOUR RIGHT A SUMMARY OF FAIR HOUSING LAWS



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## Discrimination in the Home Purchase Process

Fair housing is an absolute right in this country. Federal laws, as well as state and local laws, were enacted to provide a method of enforcement of this right. These laws cover virtually all housing - private housing, apartment buildings, condominiums, shelters, and even nursing homes - and nearly all housing transactions, including the rental and sale of housing and the provisions of mortgage loans. Landlords who own fewer than four units and homes for sale by owner are generally exempt from fair housing laws.



The Federal Fair Housing Act prohibits discrimination in housing based on race or color, national origin, religion, sex, familial status (including children under age 18 living with parents or legal custodians, pregnant women, and people securing custody of children under age 18) and disability. The state of Ohio Fair Housing Law (O.R.C. 4112) is more stringent than federal law. It includes ancestry as an additional protected group. Many local governments also have fair housing laws that include additional protected groups.

Despite the passage of various fair housing laws, discrimination remains rampant in the housing market. Housing discrimination is sometimes difficult to detect because of the subtle techniques used by real estate agents, property managers, financial agents, insurance providers, and others in the marketplace.

Discrimination includes denial of dwelling units as well as withholding or misrepresenting information about available housing, setting different standards of creditworthiness, steering, quoting different prices, terms or conditions for financing, insurance, or sale. Any kind of differential treatment based upon the home seeker's protected group is prohibited.

Access to residential housing depends on available financing, insurance, and related services. If a person is unjustly denied the opportunity to obtain financing, then it will matter little whether the seller is willing to sell. Similarly, the related services (homeowner's insurance, appraisals, etc.) must be available without discrimination.

## Fair Housing and Fair Lending Laws

**The Federal Fair Housing Act** (Title VIII of the Civil Rights Act of 1968 as amended in 1988) prohibits discriminatory housing practices. There are a few limited exceptions under federal law. The following actions may not be taken based on race, color, religion, national origin, sex, familial status, or disability:

- Refuse to negotiate for, rent, or sell housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions, or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade or attempt to influence owners to sell or rent (called **blockbusting**)
- Deny anyone access or membership in a facility or service related to the sale or rental of housing that includes brokerage and multiple listing services

**The Civil Rights Acts of 1866 and 1871** prohibit discrimination based on race.

**The Ohio Fair Housing Law** (Section 4112 of the Ohio Revised Code) gives all persons the right to live wherever they can afford to buy a home or rent an apartment. It is unlawful, on the basis of race, color, religion, sex, national origin, ancestry, disability, or familial status to:

- Refuse to rent, sell, finance, or insure residential property or housing accommodations
- Claim that housing accommodations are not available for inspection, sale, rental, or lease
- Refuse to lend money for the purchase, repair, rehabilitation, or maintenance of housing accommodations or rental property
- Refuse to consider, without prejudice, the combined income of both spouses
- Print, publish, or circulate any statement or advertisement which would indicate a preference or limitation
- Deny any person membership in any multiple listing service or real estate broker's organization

In addition to fair housing laws that apply to all transactions, including lending and insurance, specific laws address lending practices, such as:

- The Credit Opportunities Act - 15 U.S.C.A. Section 1691 et seq.
- The Mortgage Disclosure Act - 12 U.S.C. Section 29011 et seq.
- The Community Reinvestment Act - 12 U.S.C. Section 2901 et seq.
- Regulations dealing with loan registers - National Banks - 12 CFR Section 27.4
- State-insured Banks insured by FDIC - 12 CFR Section 338.4(a)(2)(iii)

## Mortgage and Insurance Discrimination

Some illegal discrimination is obvious, such as the owner of an apartment complex who says he will not rent to parents of young children, or the real estate agent who refuses to show homes to people of color. Illegal discrimination by the mortgage and insurance industries can be more difficult to recognize.



## Mortgage Lending Discrimination

No one may take any of the following actions based on race, color, national origin, religion, sex, familial status, or disability:

- Refuse to make a mortgage loan
- Fail to provide information regarding loans
- Deny or make different terms for home loans such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase the loan or set different terms or conditions for purchasing the loan

In addition, it is illegal for anyone to:

- Coerce, intimidate, threaten, or interfere with anyone exercising their rights granted under the Fair Housing Act or assisting others who are exercising those rights.
- Make, print, publish, post, or circulate statements or advertisements that a house or an apartment is available only to persons of a certain race, color, national origin, religion, sex, familial status, or disability.