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ATTORNEY GENERAL MADIGAN URGES U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT TO RETAIN RULES ON FAIR HOUSING

Chicago — Attorney General Lisa Madigan, along with 16 other attorneys general, [filed comments](#) urging the U.S. Department of Housing and Urban Development's (HUD) to retain the Disparate Impact Rule that protects people from housing discrimination.

In June, HUD began a process of considering rewriting the rule. Madigan and the other attorneys general, who have extensive experience enforcing fair housing laws and addressing discrimination in housing and lending, advised HUD to keep the current rule and continue to protect consumers from loan discrimination.

"HUD's Disparate Impact Rule has had a significant impact on curbing unfair lending practices targeted at communities of color," Madigan said. "I will fight to keep this critical rule in place to combat unfair housing discrimination in Illinois."

The Disparate Impact Rule protects people against lending practices that do not mention race, color, religion, national origin, sex, disability and familial status, but nevertheless produce a discriminatory effect. For example, previous disparate impact cases corrected mortgage company practices that led African-American and Latino borrowers to pay, on average, hundreds of dollars more for their loans than similarly situated white borrowers because lenders rewarded employees for placing borrowers into high-cost mortgages. Today, with lenders building statistical models that contain racial, ethnic and socioeconomic inferences about borrowers through data analytics and online data in the housing sale and rental markets, disparate impact enforcement is more important than ever.

In a 2015 decision, the U.S. Supreme Court provided a framework for analyzing whether facially neutral practices are discriminatory in operation. That framework mirrors HUD's Disparate Impact Rule. Now, however, HUD has announced that it may rewrite the rule, despite the Supreme Court's decision. In their comments, Madigan and the other attorneys general stated that any changes to the 2013 final rule could face legal challenge.

Joining Madigan in filing the comments are the attorneys general of California, the District of Columbia, Iowa, Maine, Massachusetts, Maryland, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Virginia, Vermont and Washington.

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