

Insurance Discrimination

There has been discrimination in insurance in part because the insurance contract appears complicated. Regulators appear to be making insurance policies and the language in them less complicated and easier to understand. Standard forms and procedures are becoming more accepted.

The most common form of insurance discrimination is redlining (neighborhood-based discrimination). It has been defined as: Discrimination in insurance based on a prohibited characteristic 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 persons in minority areas with policies that pay losses to the home up to a certain dollar limit while providing persons in non-minority communities with replacement policies.

In the insurance marketplace, the following policies and practices may be discerned as violations of fair housing laws:

- Charging higher premium 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 minority and/or integrated neighborhoods;
- Establishing minimum insurance amounts in minority or integrated neighborhoods;
- Limiting protection or benefits because of age/location of property for protected groups and not for others;
- Using credit reports to restrict or deny insurance;
- Refusal to renew policies because of age/location of property for protected person or neighborhoods; and
- Canceling policies because of age/location of property for protected person or neighborhoods.

What to Do If You Suspect Housing Discrimination

Make immediate detailed notes of your experience:

- Date of the alleged violation;
- Name and address of the person your complain is against (the respondent);
- Address or other identification of the housing involved;
- Short description of the alleged violation (the event that caused you to believe your rights were violated).

Call or visit the local fair housing office.

Call or visit the nearest Regional Office of the Ohio Civil Rights Commission. An Investigator will speak with you and schedule an appointment to discuss your complaint and help you file a charge. You may call 1-888-278-7101 to obtain information regarding the nearest office to you.

Call the HUD Fair Housing Complaints "hotline" at 1-800-669-9777. Person with hearing impairments may call 1-800-927-9275 (TDD).

What If You Need Help Quickly?

If you need immediate help to stop a serious problem that is being caused by a Fair Housing Act Violation, HUD may be able to assist you as soon as you file a complaint. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of your complaint, if:

- Irreparable harm is likely to occur without HUD's intervention;
- There is substantial evidence that a violation of the Fair Housing Act occurred.

Example: A builder agrees to sell a house, but after learning the buyer is black, fails to keep the agreement. The buyer files a complaint with HUD. HUD may authorize the Attorney General to go to court to prevent a sale to any other buyer until HUD investigates the complaint.

The purpose of this brochure is to summarize your right to fair housing. The Fair Housing Act and federal, state, and local regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the fair housing office nearest you.

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Know Your Rights

HOME SALES DISCRIMINATION



Housing discrimination remains rampant in the housing market despite the passage and amendment of the Fair Housing Act. Housing discrimination is sometimes difficult to detect because of the subtle techniques used by real estate agents, managers, financial people, insurance providers, and others in the marketplace.

Discrimination includes not only denial of dwelling units, but also withholding or misrepresenting information about the available housing, steering, setting higher standards of credit worthiness for minorities, 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. In some instances, actions which have a discriminatory impact or effect may also violate the law. While discriminatory housing practices appear to have been reduced in some parts of the country, recent surveys make it clear that traditional patterns persist and that equal access to housing, insurance, and lending is far from a reality. Every citizen has the rights to equal access to all neighborhoods of their choice for decent and affordable housing.

Fair Housing and Fair Lending Laws

Fair housing is an absolute right throughout this country. The federal laws, along with local and state laws, were enacted to provide a method of enforcement of this right.

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. No one may take any of the following actions based on race, color, religion, national origin, sex, familial status, handicap (disability), military status, or ancestry:

- Refuse to sell or rent housing;
- Refuse to negotiate for 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, when, in truth, it is available;
- For profit, persuade or attempt to influence owners to sell or rent (blockbusting);
- Deny anyone access or membership in a facility or service related to the sale or rental of housing that includes brokers and multiple listing of property.

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

The Ohio Fair Housing Law (Section 4112.02(H) of the Ohio Revised Code) gives all persons in the protected classes 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 or ancestry, disability, familial status, or military status to:

- Refuse to rent, sell, finance, or insure housing accommodations or residential property;
- Represent to any person that housing accommodations are not available for inspection, sale, rental, or lease;
- Refuse to lend money for the purchase, construction, repair, rehabilitation, or maintenance of housing accommodations or rental property;
- Discriminate against any person in the purchase, renewal, or terms and conditions of fire, extended coverage, or home owner's or renter's insurance;
- 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: The Credit Opportunities Act 15 U.S.C.A. Section 1691 et seq.; The Home Mortgage Disclosure Act, 12 U.S.C. Section 2801, et seq.; The Community Reinvestment Act, 12 U.S.C. Section 2901 et seq.; regulations dealing with loan registers National Banks, 12 C.F.R. Section 27.4; state banks insured by FDIC, 12 C.F.R. Section 338.4 (a)(2)(iii).

Access to residential housing depends on available financing, insurance, and related services. If a person is denied the opportunity to obtain financing, then it will matter little whether a seller will sell to the home seeker. Similarly, the related services: homeowners' insurance, fair appraisals, fair secondary markets, mortgage insurance, and brokerage services must be available without regard to any prohibited characteristics such as race, color, and religion.

Lending Discrimination

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

- 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 the property;
- Refuse to purchase the loan or set different terms or conditions for purchasing a 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 that right;
- Make, print, publish, or post statements or advertisements that a house or an apartment is available only to persons of a certain race, color, religion, sex, familial status, handicap (disability), military status, or ancestry.