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Fair Housing Center of West Michigan and Other Fair Housing Groups Reach Historic Settlement with Fannie Mae Focused on Rebuilding Communities of Color

The settlement, one of the largest fair housing settlements on record, will directly and immediately benefit the communities of color throughout the Grand Rapids and Muskegon areas and nationwide hit hardest by the foreclosure crisis and its aftermath.

Grand Rapids, MI — Today, Fair Housing Center of West Michigan, along with the National Fair Housing Alliance (NFHA) and 19 other local fair housing organizations throughout the country, reached a landmark \$53 million [agreement](#) with Fannie Mae (formally known as the Federal National Mortgage Association) to resolve a case arising from allegations that Fannie Mae treated foreclosed homes in communities of color unfavorably. The settlement is one of the largest in the history of the Fair Housing Act and will help rebuild and strengthen communities of color in 39 metropolitan areas including Grand Rapids and Muskegon. In the case, Fair Housing Center of West Michigan and the other [plaintiffs alleged](#) that Fannie Mae maintained and marketed its foreclosed homes in predominantly White neighborhoods while allowing similar homes in communities of color to fall into disrepair. This differential treatment exacerbated the damage caused by the 2008 mortgage crisis and impeded recovery from the crisis in neighborhoods of color. The case was the first time a federal court confirmed the nation's fair housing laws cover the maintenance and marketing of Real Estate Owned (REO) properties.

“Poorly maintained and marketed REO homes compounded the negative impact of the foreclosure crisis on property values, curb appeal, and tax revenue for schools in our hardest hit neighborhoods” said Nancy Haynes, Executive Director of the Fair Housing Center of West Michigan. “Now, in the face of the affordable housing crisis, we look forward to the opportunity this settlement gives for increased community investment and partnership to emerge from these crises with stronger, sustainable and thriving neighborhoods.”

The plaintiffs' 2016 allegations against Fannie Mae arose after a comprehensive, four-year investigation of more than 2,300 Fannie Mae-owned foreclosed properties in 39 metropolitan areas in the country. Of those properties, more than 80 were located in the Grand Rapids or Muskegon metropolitan areas. The plaintiffs collected more than 49,000 photographs revealing poorly maintained properties in Black and Latino communities, particularly as compared to properties in predominantly White neighborhoods.

Today's agreement has far-reaching implications. Fair Housing Center of West Michigan and the other plaintiffs will invest the vast majority of the settlement monies directly back into the communities they allege were harmed by Fannie Mae's conduct. Specifically, plaintiff organizations will use over \$35 million of the settlement to promote home ownership, neighborhood stabilization, access to credit, property rehabilitation, and residential development in the 39 metropolitan areas at issue in the case, including Grand Rapids and Muskegon. The plaintiffs will manage and disburse the settlement funds, providing much-needed grants, including for down-payment assistance for first-generation homebuyers and renovations for homes that languished in foreclosure. The grants will also include innovative programs and partnerships to promote fair housing.

Fannie Mae has also committed to continuing and implementing practices that will help avoid similar harmful treatment of communities of color in the future, including increasing its oversight of maintenance of properties it owns, prioritizing owner-occupants rather than investors as purchasers of REOs, and ensuring that it complies with fair housing laws, including by providing fair housing training to its employees and vendors.

Fair Housing Center of West Michigan and the other fair housing groups are represented by noted civil rights law firms Relman Colfax PLLC and Dane Law LLC. The organizations were also represented by Morgan Williams, NFHA's General Counsel, and Julia Howard-Gibbon, Supervising Attorney of [Fair Housing Advocates of Northern California](#).

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Fair Housing Center of West Michigan (FHCWM) is a private, non-profit organization established in 1980 with a mission to prevent and eliminate illegal housing discrimination, to ensure equal housing opportunity, and to promote inclusive communities. FHCWM achieves its objective through education, outreach, research, advocacy, and enforcement. FHCWM's programs are designed to further Title VIII of the 1968 Civil Rights Act, also known as the Fair Housing Act, as well as state and local fair housing laws. More information is available at www.fhcwm.org.