



# Charting Your Course to Home Ownership

## Your Housing Rights

### Fair Housing Act

The Fair Housing Act makes it illegal to discriminate because of race, color, national origin, religion, gender, disability or familial status (being pregnant or having children). Fair housing discrimination means unfairly denying someone the right to own or rent a house or an apartment. You have the right to buy or rent any home you can afford in any neighborhood. In some circumstances the act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

What does that mean to you in practical terms? In most situations no one can take any of the following actions based on race, color, national origin, religion, gender, familial status or disability.

#### Sale and Rental of Housing

- Refuse to rent or sell 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
- For profit, persuade owners to sell or rent (blockbusting)
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

#### Mortgage Lending

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points or fees
- Discriminate in appraising property



- Refuse to purchase a loan
- Set different terms or conditions for purchasing a loan

## **Additional Protections**

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, gender, familial status or disability (applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act).

An exception is that some housing developments for the elderly may be restricted to adults only. Also, a landlord may use income level and good payment history requirements as long as they apply to all rental applicants.

## **Additional Protection If You Have a Disability**

If you or someone associated with you:

- Has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS-related complex, mental retardation) that substantially limits one or more major life activities
- Has a record of such a disability
- Is regarded as having such a disability

A landlord may not:

- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the house. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)
- Refuse to make reasonable accommodations in rules, policies, practices or services necessary for the disabled person to use the housing.

Fair Lending is also covered under the Fair Housing Act. The U.S. Department of Housing and Urban Development's (HUD) Office of Fair Housing and Equal Opportunity enforces the law. Based on race, color, national origin, religion, gender, familial status or disability, no one can legally:

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

Of course, a lender may reject your loan application for other reasons, such as insufficient income, unacceptable credit history or other factors that are not discriminatory. You have the right to fair lending.

If your loan application is rejected, you have the right to know why. Lenders are required to give you the reasons in writing.

## Housing Rights Violations

If you think any of your fair housing rights have been violated, you should first discuss your concerns with the person or people involved. If you're not satisfied after discussing your complaints, you can contact the Department of Housing and Urban Development (800-669-9777) for help, or contact the HUD office closest to your home. Complaints also can be filed online at <http://www.hud.gov/complaints/housediscrim.cfm>.

## Additional Consumer Protections

The **Real Estate Settlement Procedures Acts** of 1974 (RESPA) require lenders to give their borrowers the following disclosures:

1. A **Good Faith Estimate** of the settlement (closing) costs of your loan, is the lender's best estimate of the closing costs, based on information available to the lender when you apply for the loan. If any of the costs are uncertain at that time, the lender will indicate which ones are estimates. The settlement form lists all the services provided and fees charged in connection with your loan.
2. The **Annual Percentage Rate (APR)** on the loan, showing the costs of your mortgage loan as a yearly rate. This rate is usually higher than the rate stated in your mortgage or deed of trust note because the APR includes up-front fees (such as points) as well as interest.

The APR is intended to show you the true cost of your loan. When comparing one loan to another, be sure to compare APRs to get a true picture of what each one will cost you over the full term of the loan. If you don't plan to own that home until the mortgage is fully paid (for instance, if you plan to move in a few years), however, the APR may not be the best way to compare loans. If you plan to sell soon, it may be wiser to compare loans by looking at which has the lowest up-front costs.

Your lender will provide you a Truth-In-Lending statement that shows the following items in addition to the APR. This information is required by the Truth-In-Lending Act.

3. The **total finance charge**. Don't be surprised if a total 30-year finance charge is larger than the price of your house.
4. **Schedule of payments**. The amortization schedule will show how much you are paying each month for interest on the loan and how much you are paying monthly toward the amount of the loan (principal).
5. **Late payment charges**. Shows how much extra you'll have to pay if your monthly payment is not made by its due date.

Note: If you use seller financing or another low-volume lender, you probably won't receive the above information.

The Department of Housing and Urban Development publishes a brochure called "A HUD Guide for Home Buyers – Settlement Costs." When you apply for a mortgage loan, your lender will give you a copy. Be sure to read it carefully. If you haven't yet applied for a loan, you may request the brochure from HUD or any mortgage lender.

For more information on any of your housing rights, contact a Department of Housing and Urban Development (HUD) office and ask for the brochure, "Fair Housing – It's Your Right." the HUD offices in Louisiana are:

**New Orleans Office**

Hale Boggs Federal Building  
500 Poydras, 9<sup>th</sup> Floor  
New Orleans, LA 70130  
Phone: (504) 589-7201  
Fax: (504) 589-7266  
TTY: (504) 589-7277

**Shreveport Office**

Louisiana Tower  
401 Edwards Street, Suite 1510  
Shreveport, LA 71101-5513  
Phone: (318) 676-3385  
Fax: (318) 676-3407  
TTY: (318) 676-3399

Or go online <http://www.hud.gov>

*Adapted from: Reichel, C. (1998). Your Path to Home Ownership. Baton Rouge, La.: LSU AgCenter.*

*Additional Resources: U.S. Department of Housing and Urban Development. Fair Housing – It's Your Right. Washington, D.C., Retrieved on April 18, 2008 from <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>*

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