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GENERAL NEWS

DOJ and HUD File Statement of Interest in Fair Housing Act Case

In a [press release](#) Monday, the Department of Justice ([DOJ](#)) and the Department of Housing and Urban Development ([HUD](#)) announced that they filed a [statement of interest](#) to explain the [Fair Housing Act's](#) (FHA) application to algorithm-based tenant screening systems. The statement of interest was filed in a lawsuit currently pending in the U.S. District Court for the District of Massachusetts alleging that defendants' use of an algorithm-based scoring system to screen tenants discriminates against Black and Hispanic rental applicants in violation of the FHA.

According to the press release, black rental applicants who use housing vouchers to pay part of their rent applied for rental housing but allege they were denied due to their score derived from the defendant's algorithm-based screening software. The plaintiffs allege that the software scores result in disparate impact against Black and Hispanic rental applicants because the underlying algorithm relies on certain factors that disproportionately disadvantage these populations, such as credit history and nontenancy related debts, while failing to consider one highly relevant factor, that the use of housing vouchers funded by HUD makes such tenants more likely to pay their rents.

"Housing providers and tenant screening companies must ensure that all policies that exclude people from housing opportunities, whether based on algorithm or otherwise, do not have an unjustified disparate impact because of race, national origin or another protected characteristic," said HUD General Counsel Damon Smith.

The defendants have moved to dismiss the case, and the plaintiffs have opposed the defendants' motions. Through the statement of interest, the departments seek to assist the court by correcting two questions of law erroneously represented in the defendants' motions to dismiss. First, the statement sets out the appropriate standard for pleading disparate impact claims under the FHA. Second, the statement clarifies that the FHA's text and caselaw support the FHA's application to companies providing residential screening services. The motions to dismiss are currently pending before the court.

PD&R Releases New Housing Market Reports

HUD's Office of Policy Development and Research ([PD&R](#)) has added new reports to its [Comprehensive Housing Market Analysis](#) series. The reports cover the housing markets for the following:

- [College Station-Bryan, Texas](#) (with additional info [here](#))
- [District of Columbia](#) (with additional info [here](#))
- [Fayetteville-Springdale-Rogers, Arkansas-Missouri](#) (with additional info [here](#))
- [Las Vegas-Henderson-Paradise, Nevada](#) (with additional info [here](#))
- [Montgomery, Alabama](#) (with additional info [here](#))
- [Riverside-San Bernardino-Ontario, California](#) (with additional info [here](#))

You'll find links to previous reports in the series on [this page](#) and to additional data for certain housing markets on [this page](#).



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