



January 13, 2023

EDITOR'S NOTE

The NMA office will be closed Monday for the Martin Luther King, Jr. Day holiday and will reopen Tuesday morning. Enjoy your holiday!

GENERAL NEWS

HUD Issues Proposed Rule on Faith-Based and Neighborhood Organizations

Today in the *Federal Register*, the Department of Housing and Urban Development ([HUD](#)), in conjunction with the Agency of International Development and the Departments of Justice, Education, Homeland Security, Agriculture, Labor, Veterans Affairs, and Health and Human Services, issued a [proposed rule](#) titled "Partnerships With Faith-Based and Neighborhood Organizations." According to the summary:

The agencies listed above (the "Agencies") propose to amend their regulations to clarify protections for beneficiaries and potential beneficiaries receiving federally funded social services and the rights and obligations of organizations providing such services. In accordance with the Executive order of February 14, 2021 ([Establishment of the White House Office of Faith-Based and Neighborhood Partnerships](#)), this clarification should promote maximum participation by beneficiaries and providers in the Agencies' covered programs and activities and ensure consistency in the implementation of those programs and activities.

Specifically, the proposed rule:

- Would add the words "wholly," "genuinely," and "private" to the definition of "indirect federal financial assistance," to emphasize the private and voluntary nature of any decision to allocate indirect aid to a service provider that uses the aid for explicitly religious activities.
- Seeks to clarify the nature of the protections for faith-based organizations by decoupling its religious nondiscrimination protections from the question of accommodations.
- Would state more directly that the Agencies will not, in their selection of service providers, discriminate on the basis of an organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to disfavor a similarly situated secular organization such as one that has the same capacity to effectively provide services.
- Would make clear that the Agencies will continue to consider requests for accommodations, on a case-by-case basis, in accordance with the Constitution and federal statutes.
- Would state that the Agencies will not disqualify any organization from participating in a program simply because that organization has indicated it may request an accommodation.
- May also benefit providers, in that it would provide a modified referral option that could ultimately connect them with beneficiaries who are in need of their services.
- Would benefit faith-based organizations by enabling them to continue operating indirect aid programs, consistent with Executive Order 14015's recognition that faith-based organizations are essential to the delivery of services in neighborhoods.
- Would improve beneficiaries' access to federally funded services by informing them of their rights and thus removing certain barriers arising from discrimination.
- Would ensure that beneficiaries are not effectively required to participate in religious activities in order to receive the benefits of federally funded programs.
- Would benefit all beneficiaries, including those who would freely choose faith-based providers, by expanding the universe of providers reasonably available to them.

Further details can be found in the [proposed rule](#). Comments are due by **March 14, 2023**.

Landlords Must Pay Over \$140,000 in Race Discrimination Case

In a [press release](#) yesterday, HUD announced that an administrative law judge (ALJ) has [ordered](#) three Texas landlords to pay damages, civil penalties, and attorney's fees totaling \$140,649 for violating the [Fair Housing Act](#). The ALJ found that they refused to rent to a Black woman because of race, made discriminatory statements, placed discriminatory advertisements, and retaliated against the woman because she filed a complaint with HUD.

The ALJ ordered respondents to pay a total of \$140,649.36: \$79,782.75 in compensatory damages to the woman, \$49,472 in civil penalties, and \$11,394.61 in attorneys' fees. The ALJ also ordered respondents to attend Fair Housing Act and cultural sensitivity training, adopt a nondiscrimination policy, and adopt equal housing opportunity language in future advertisements and rental documents.

The Fair Housing Act prohibits discrimination in housing because of race, color, religion, national origin, sex (including gender identity and sexual orientation), disability, and familial status. This includes making discriminatory statements, publishing discriminatory advertisements, misrepresenting the availability of rental housing, and refusing to negotiate with or rent to someone because of their race. Property owners are responsible for violations of the Act that their agents commit.



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