



For Immediate Release – February 7, 2022

Contact: Amy Nelson, Executive Director
Fair Housing Center of Central Indiana
Phone: 317-644-0673 x1001
Email: anelson@fhcci.org

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

The settlement will directly and immediately benefit the communities of color throughout Indianapolis, Indiana and nationwide hit hardest by the foreclosure crisis and its aftermath.

INDIANAPOLIS, IN – Today, the Fair Housing Center of Central Indiana (FHCCI), 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 will help rebuild and strengthen communities of color in 39 metropolitan areas including Indianapolis. In the case, the FHCCI 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 and that 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.

"Far too many of Indianapolis' Black neighborhoods are still suffering from the foreclosure crisis and the subsequent loss of owner-occupied housing units," said Amy Nelson, Executive Director of the FHCCI. "These funds will provide a needed boost to rehab vacant homes in need, assist in homeowner repair projects, and support grassroots organizations in our hardest hit neighborhoods of color to stop any further deterioration and loss of housing stock."

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, 78 were located in Indianapolis. 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. The FHCCI 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 Indianapolis. The plaintiffs will manage and disburse the settlement funds, providing much-needed grants, which may include 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 implemented 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.

The FHCCI 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, General Counsel of the [National Fair Housing Alliance](#), and Julia Howard-Gibbon, Supervising Attorney of [Fair Housing Advocates of Northern California](#).

To learn more, visit the [FHCCI's News Page](#).

U.S. Department of Housing and Urban Development grants supported the investigation into potential disparities in the maintenance and marketing of REO properties. The author and publisher of this press release are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.

The Fair Housing Center of Central Indiana (FHCCI) is a private, nonprofit fair housing organization in Indianapolis, Indiana. Its mission is to ensure equal housing opportunities by eliminating housing discrimination through advocacy, enforcement, education, and outreach. For more information, visit: www.fhcci.org