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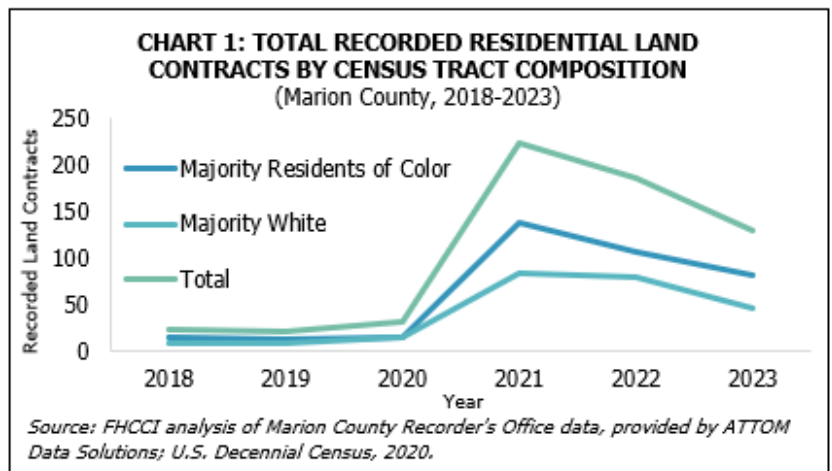
FAIR HOUSING CENTER RELEASES REPORT ON LAND CONTRACT PERILS

INDIANAPOLIS – Today, the Fair Housing Center of Central Indiana (FHCCI) releases its latest report, [*The State of Fair Housing in Indiana – The Promise and Perils of Alternative Home Financing*](#). This report provides background on land contracts, the growth in our markets, and the challenges to homeownership. Despite its rising costs, homeownership remains a cornerstone of the American dream, especially for immigrants seeking to put down roots and build a better life for themselves and their families, by purchasing their own home.

“In this report, the FHCCI investigates disparities in access to homeownership, including predatory products that take advantage of this dream,” states Hafsa Razi, Director of Systemic Investigations at the FHCCI. “Land contracts, notorious in the age of redlining for exploiting Black residents, have again reared their heads, this time with deceptive practices and predatory terms through heavy targeting of Hispanic home seekers in Marion County.”

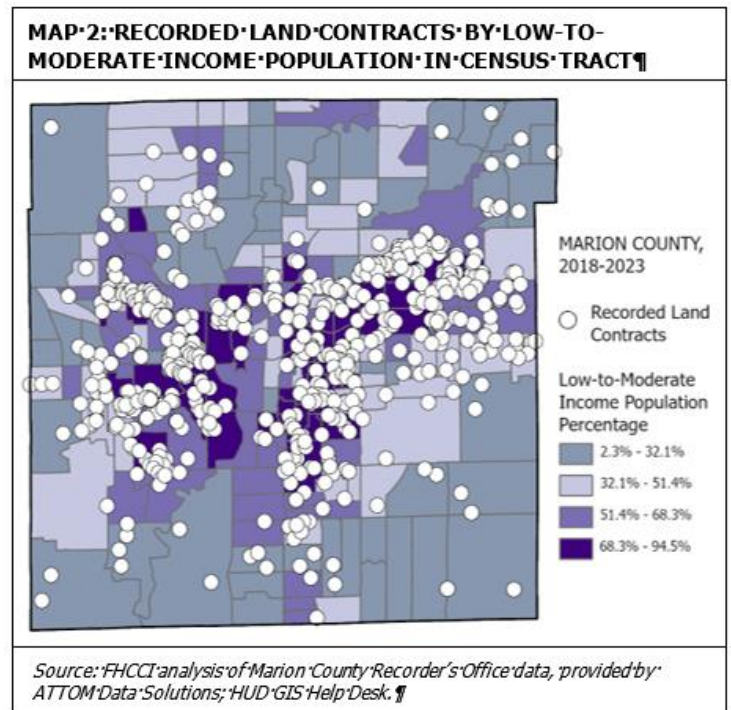
Key Findings:

- Census estimates indicate that over 2,000 owner-occupied Marion County households were under a land contract in 2022. However, Census data likely undercounts undocumented residents, who are major consumers of land contracts.
- Over 600 land contracts were recorded in Marion County between 2018 to 2023, with a stark increase in recordings from 2021 onward.
- Four companies produce about 41% of all recorded land contracts in Marion County: S&C Financial Group, OwnEZ Asset Management, SLB Investments/Job Capital, and LKE Properties. These top four companies also have properties not associated with a land contract, which may be vacant, rental, rent-to-own, or unrecorded land contract properties.
- Most land contracts are located in census tracts with a majority of residents of color, and in low-to-moderate income census tracts.
- The FHCCI reviewed the text of over 40 Marion County recorded land contracts, revealing concerns about potentially predatory terms, including a lack of access to home equity and property title,



high interest rates, default terms that allow the cancellation of the contract and eviction of the resident without notice, and back payment of taxes. Despite the inclusion of predatory provisions, the recorded land contracts analyzed by the FHCCI do not appear to follow the requirements of the Truth In Lending Act.

- About 85% of all recorded land contracts went to homebuyers with Hispanic-sounding names. Hispanic consumers may be more likely seek out a land contract due to challenges with building credit among immigrant communities and undocumented consumers being ineligible for traditional mortgage loans.
- However, the FHCCI believes local Hispanic consumers are being targeted by land contract providers. These companies advertise extensively, and sometimes exclusively, in Spanish; appear at or sponsor Hispanic community events; take out ads on Spanish-language television and radio; run social media pages in Spanish; and partner with trusted Spanish-speaking staff or real estate agents in the community.
- Land contract companies are responsible for high rates of code violations across their portfolios, including their rental or rent-to-own properties. Code violation rates at properties under a recorded land contract are lower, likely because in a land contract, the resident is responsible for upkeep. Land contract homes are always sold “as is,” usually without an inspection, so undisclosed or unexpected poor housing conditions can be a trigger for default, as the resident tries to keep up with the costs of repairs on top of regular payments.
- The FHCCI could not identify any formal evictions or foreclosures issued at properties under recorded land contracts. This raises concerns that land contract providers may be informally evicting residents who fall behind on payments.
- Undocumented consumers can qualify for a mortgage using their Individual Tax Identification Number (ITIN) rather than a Social Security Number. However, few, if any, local lenders provide these loans, despite the success of at least one local ITIN program, which was able to provide loans to individuals without social security numbers at close-to-prime interest rates and on affordable terms, without significant delinquency.



“Overall, the FHCCI recommends that state and federal policymakers and agencies increase awareness of the risks of land contracts, provide clarity on the legal requirements for land contract transactions, strengthen legislation to protect land contract consumers from predatory practices, and properly enforce existing consumer protection laws,” explain Amy Nelson, Executive Director of the FHCCI. “Lenders must also do their part to provide responsible ITIN loans.”

To download the full report, visit the [FHCCI's News Page](#) or our [Reports Page](#). If you want to learn more about this issue, consider attending the [FHCCI's July 31st Fair Housing 90 webinar on this topic](#).

In recent years, the FHCCI has released the following consumer-driven housing reports through its *The State of Fair Housing in Indiana* series:

- [Highlighting Housing Impacts From Our Changing Environment](#) (2024)
- [Unstable Land: The Fair Housing Challenges for Manufactured Housing Residents](#) (2024)
- [A Review of Fair Housing Complaints in Indiana 2019-2023](#) (2024)

- [Mortgage Lending Update for Marion County 2021-2022](#) (2024)
- [Who Owns Indy's Houses: A Review of the Largest Single-Family Home Investors](#) (2023)
- [No Way Home: Tenant Screening Barriers to Housing](#) (2023)
- [Our Changing Neighborhoods: The Impact of Investors, Foreclosures, and Mortgage Lending](#) (2022)
- [At What Cost? Rents, Burdens, Evictions, and Profits in Marion County](#) (2022)
- [FHA & VA Mortgage Lending in Marion County 2018-2021](#) (2022)
- [Mortgage Lending in Marion County 2018-2020](#) (2022)
- [Fair Housing Complaint Filing 2000-2018](#) (2020)

The Fair Housing Center of Central Indiana (FHCCI) is a private, nonprofit fair housing organization based 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

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