



2015 Analysis of Impediments to Fair Housing Choice **Revision** **July 2017**

New Mexico Mortgage Finance Authority

Department of Finance and Administration

REVISION TO SECTION IX. IMPEDIMENTS AND SUGGESTED ACTIONS

The following are the original impediments derived from data gathered for the 2015 Analysis of Impediments to Fair Housing Choice. ***Revisions are indicated in red, and reflect impediments that MFA can actually address. This means that some of the originally identified impediments have been removed from MFA's plans.***

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: More frequent denial of home purchase loans to American Indian and Hispanic residents: This impediment was identified through review of data collected through the Home Mortgage Disclosure Act (HMDA), review of the geographic distribution of home purchase loan denials. Loan applications from American Indian applicants were denied 48.8 percent of the time on average between 2004 and 2012, compared to an average denial rate of 24.6 percent for all applicants. Similarly, 31.2 percent of home loan applications from Hispanic applicants were denied compared to an average rate of 19.4 percent for all applicants. Review of the geographic distribution of home purchase loan denials revealed that these loans tended to be concentrated in areas with high proportions of American Indian and Hispanic residents.

Action 1.1: Educate buyers through home purchase training on a yearly basis.

Measurable Objective 1.1: The number of outreach and educational activities conducted each year, and number of clients who have participated in those activities.

Revision to Impediment 1: Analysis of HMDA data from 2008 to 2015 for the non-entitlement areas of the State of New Mexico is attached to this revision. The data indicates that denial rates across the state rose slightly from 2008-2011 to 2012-2015, with much of the northwestern portion of the state showing high levels of denial rates throughout those years. Both American Indian and Hispanic residents saw denial rates rise from 2008 to 2015, although these rates have fallen somewhat from 2014 to 2015.

Even though the rates are still high, MFA is not in a position to regulate any lending activity or lack thereof, other than the lending performed in conjunction with our mortgage programs. See MFA's webpage at <http://www.housingnm.org/homebuyers/home-buyers> for more detailed information on those programs, including housing counseling.

Impediment 2: Predatory style lending falls more heavily on Native American and Hispanic borrowers: This impediment was identified through data collected through the HMDA, review of the geographic distribution of high annual percentage rate loans (HALs), and results of the 2014 Fair Housing Survey. American Indian residents who were able to secure a loan were charged high annual percentage rates in 28.5 percent of those loans. This is more than twice the rate at which these loans were issued to all borrowers in non-entitlement areas of the state. Similarly, one in five loans that Hispanic borrowers received were HALs, compared to 11.4 percent for non-Hispanic borrowers. In addition, these HALs

were largely concentrated in the northwestern portion of the state, an area with high concentrations of American Indian residents, much of which lay within tribal reservation boundaries.

Action 2.1: Educate buyers through home purchase training on a yearly basis.

Measurable Objective 2.1: The number of outreach and educational activities conducted each year, and number of clients who have participated in those activities.

Action 2.2: Investigate possibility of development loans for land/home purchases for manufactured housing on a yearly basis.

Measureable Objective 2.2: Annual record of investigation and outcome; list of actions that can be taken to promote such lending, if any are identified.

Revision to Impediment 2: Analysis of HMDA data from 2008 to 2015 for the non-entitlement areas of the State of New Mexico is attached to this revision. On average, predatory lending, shown through HAL loan rates, has fallen in the state since 2008. However, HAL rates among American Indian residents have remained stubbornly high since 2008, but moderated in 2015. These same loan types are somewhat high for Hispanics as well.

Impediment 3: Discriminatory terms, conditions, and privileges relating to rental: This impediment was identified through review of fair housing complaints submitted to HUD by residents of non-entitlement areas of New Mexico. Complaints alleging this specific type of discrimination figured strongly in all of the complaints HUD received from 2004 through 2013, as well as the portion of those complaints found to have cause.

Action 3.1: Continue to educate landlords and property management companies about fair housing rights through training and counseling sessions on a yearly basis.

Measurable Objective 3.1: The number of outreach and educational activities conducted each year, and number of landlords and other housing providers who have participated in those activities.

Revision to Impediments 3 and 4: These impediments have been merged into one "target" in MFA's fair housing plan of action. It is now titled "Lack of understanding of Fair Housing." The suggested actions within MFA's realm of authority and measurable objectives are shown in the attached table entitled "2017 Impediments to Fair Housing Table."

Impediment 4: Discriminatory refusal to rent: This impediment was also identified through review of complaints submitted to HUD. This complaint figured strongly among all complaints collected by HUD, as well as those that were determined to have cause.

Action 4.1: Increase outreach and educational efforts to increase awareness of fair housing and affirmatively furthering fair housing among property managers and landlords on a yearly basis.

Measurable Objective 4.1: Number of outreach and educational activities conducted each year, materials prepared, and record of participation in such activities.

Revision to Impediments 3 and 4: See above.

Impediment 5: Failure to make reasonable accommodation or modification: This impediment was identified in review of HUD complaints, complaints received by the HRB, the review of literature and relevant cases, the Fair Housing Forum, and the 2014 Fair Housing Survey. Discrimination on the basis of disability was the most common complaint that HUD received from residents of non-entitlement areas of the state, and failure to make reasonable accommodation figured strongly in overall HUD complaints as well as in those complaints that were found to have cause. Complaints based on disability and citing

reasonable accommodation as the relevant issue were also among the most common complaints received by the HRB. Review of fair housing cases brought by DOJ against New Mexico housing providers further highlights discrimination on the basis of disability. All of the cases profiled in this report, which includes all fair housing cases DOJ has filed in the state in the last decade, pertain to disability. In addition, participants in the Fair Housing Forum raised their concern that residents with disabilities may not feel confident in making reasonable accommodation requests to their landlords. Finally, survey respondents cited reluctance on the part of landlords to allow modifications to properties that represent reasonable accommodation, as well as a lack of clarity in existing accessibility standards.

Action 5.1: Conduct audit testing on newly constructed rental units on a yearly basis.

Measurable Objective 5.1: The number of audit tests completed each year, and records of the outcome of those tests.

Revision to Impediment 5: *This impediment remains in MFA's fair housing plan of action. It is now titled "Accessibility for clients with disabilities." The suggested actions to address the issues within MFA's realm of authority and measurable objectives are shown in the attached table entitled "2017 Impediments to Fair Housing Table."*

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Fair housing infrastructure largely lacking outside of Albuquerque and Santa Fe: This impediment was identified in the review of the fair housing structure, state anti-discrimination laws, and during the Fair Housing Forum. While residents of Albuquerque and Santa Fe are protected by local fair housing ordinances, and Albuquerque is served by the Office of Diversity and Human Rights, there are no New Mexico agencies certified by HUD as participants in the Fair Housing Assistance Program (FHAP) in New Mexico, nor have there been any organizations acting as participants in the Fair Housing Initiative Program (FHIP) in the state since 2008.

Action 1.1: Seek partner to facilitate creation of local fair housing organization and potential FHIP participant.

Measurable Objective 1.1: Record of outreach conducted and organizations contacted each year, as well as records of correspondence generated in the course of those outreach efforts.

Revision to Impediment 1: *This impediment was incorporated into MFA's fair housing plan of action "Accessibility for clients with disabilities." The suggested actions to address the issues within MFA's realm of authority and measurable objectives are shown in the attached table entitled "2017 Impediments to Fair Housing Table."*

Impediment 2: Insufficient oversight of manufactured home lenders: This impediment was identified in review of loan data gathered under the HMDA, as well as the geographic distribution of loan denials in the state. Two of the lenders profiled in this report denied American Indian home purchase loan applicants at extremely high rates when those applicants were seeking a home purchase loan for manufactured housing. In addition, a high number of loan originations for manufactured housing units were identified as predatory in nature.

Action 2.1: Increase outreach and educational efforts to increase awareness of fair housing and affirmatively furthering fair housing among lending institutions on a yearly basis.

Measurable Objective 2.1: The number of outreach and educational activities conducted each year, materials prepared, and record of participation in such activities.

Action 2.2: Increase outreach and education to mobile home buyers concerning mortgage lending and predatory style lending on a yearly basis.

Measurable Objective 2.2: The number of outreach and educational activities conducted each year, materials prepared, and record of participation in such activities.

Revision to Impediment 2: *This impediment has been removed from MFA's fair housing plan of action. MFA has no authority to affect this issue, other than our continuing education efforts. While the impediment may have been identified, MFA cannot address it.*

Impediment 3: NIMBYism: This impediment was identified through review of the Fair Housing Forum and 2014 Fair Housing Survey. "NIMBYism is alive and very well," according to one Forum participant, and several forum participants perceived a "not in my backyard" mentality to be especially prevalent in the southern part of the state. Survey participants claimed that "[the] zoning laws are manipulated," that "county assessors [are] unwilling to put affordable housing tax exemption in place," and that the "approval process is time consuming and expensive. It contradicts the term affordable housing." NIMBYism was also cited at several points by respondents to the 2014 Fair Housing Survey, particularly in the public sector portion of the survey.

Action 3.1: Hold annual public meetings and other outreach activities pertaining to fair housing and affirmatively furthering fair housing during fair housing month (April), and broadcast statewide using technology meeting software.

Measurable Objective 3.1: Records of the annual meetings, presentation materials for the meetings, and marketing materials used to publicize those meetings.

Action 3.2: Hold annual outreach meetings and educational trainings with prospective grantees and units of local government pertaining to the duty to affirmatively further fair housing.

Measurable Objective 3.2: Records of the annual meetings and trainings, presentation materials for the meetings, and recruitment materials used to solicit participation in the trainings and meetings.

Revision to Impediment 3: *This impediment has been removed from MFA's fair housing plan of action. MFA has no authority to affect this issue, other than our continuing education efforts that MFA sponsors and/or participates in. While the impediment may have been identified, MFA cannot address it.*

Public-Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Insufficient understanding of fair housing laws: This impediment was identified through a review of fair housing studies and the 2014 Fair Housing Survey. Fair housing studies undertaken at the national level from 2000 to the present underscore a pervasive lack of knowledge of fair housing law and policy, and participants in the fair housing survey cited a need for greater education among stakeholders and residents of the state who are in search of housing.

Action 1.1: Hold annual public meetings and other outreach activities pertaining to fair housing law during Fair Housing Month (April), and broadcast statewide using technology meeting software.

Measurable Objective 1.1: Records of the meetings, presentation materials for the meetings, and marketing materials used to publicize those meetings.

Action 1.2: Create and distribute fair housing flyers and informational brochures to grantees, applicants, and the general public, updating these materials yearly.

Measurable Objective 1.2: The number of such materials printed and distributed each year.

Action 1.3: Add to CDBG grantee application forms selection criteria related to the adoption and implementation of local fair housing ordinances and/or policies.

Measurable Objective 1.3: The points added to the grant application forms and the adoption of local policies and ordinances, to be measured on a yearly basis.

Revision to Impediment 1: *This impediment is included in MFA's fair housing plan of action. It is now titled "Lack of understanding of Fair Housing." The suggested actions within MFA's realm of authority and measurable objectives are shown in the attached table entitled "2017 Impediments to Fair Housing Table."*

The following tables show the progression of the impediments originally identified, through the accomplishment counts for 2015 and 2016, plus the 2017 table.

**Impediments to Fair Housing Choice
2015 Analysis of Impediments**

Impediment	Suggested Action	Goals	Protected Classes Assisted	Measurable Objectives	Performed By	Timeline
Private Sector						
1. Home loan denials to minority borrowers	Home purchase training	MFA will produce fair housing informational brochures in English and Spanish, giving information and references to applicable rules, regulations, and HUD contact information.	All	No. of activities each year, materials, participants	MFA/DFA	Each Year
2. Predatory lending to minority borrowers	Home purchase training	MFA will produce and prominently display signage for project sites to provide notice of fair housing (Equal Opportunity Housing Logo) to attract potential renters (or homeowners in projects with homeownership) from minority and non-minority groups regardless of protected class.	All	No. of activities each year, materials, participants	MFA/DFA	Each Year
3. Discriminatory terms in rental housing	Landlord/property management training	Staff will participate in MFA-sponsored annual fair housing trainings to better monitor compliance at MFA-funded housing projects. Developers, agencies, and managers will be invited to attend.	All	No. of activities each year, materials, participants	MFA/DFA	Each Year
4. Discriminatory refusal to rent	Landlord/property management training	MFA will ensure that contracts and award letters alert recipients to fair housing requirements using separate information with reference to applicable rules, regulations, and HUD contact information.	All	No. of activities each year, materials, participants	MFA/DFA	Each Year
5. Failure of reasonable accommodation	Inspection of newly constructed MFA financed housing units	As part of the annual update to the Consolidated Plan, MFA will conduct an annual review of housing statewide to ascertain shortfalls in location, availability, and accessibility in a range of unit sizes (per HUD Table 2A).	All	No. of inspections each year and outcomes of inspections	MFA	Each Year

Public Sector

1. Limited fair housing infrastructure	Support local FHIP applicant(s)	Continue to participate in state-wide forums for housing such as the Supportive Housing Coalition that includes advocates for special needs populations. In partnering with these other organizations, MFA is better able to understand and assist in a number of fair housing-related issues including: refugee housing; disposition and repairs for public housing; assistance to troubled housing authorities; homeownership in lower income areas; housing for the homeless; eviction and foreclosure prevention; housing for those previously incarcerated; youth in transition; and housing for the disabled and elderly.	All	Record of outreach, organizations contacted, correspondence each year	MFA/DFA	Each Year
2. Lack of oversight of manufactured home lenders	Outreach/education to lending institutions	MFA will incorporate into monitoring procedures and checklists a verification that project managers are affirmatively furthering fair housing, assess what percentage of occupancy is utilized by protected classes (disability, familial status) through set-aside tracking, verify that fair housing signage is adequately displayed, and that efforts are ongoing to market to residents from certain protected classes (to fill the corresponding set-aside). A formal set-aside policy is included in the MFA Program Rules and Guidelines to ensure existing set-aside units are being filled with the appropriate demographic.	All	No. activities each year, materials, participants	MFA/DFA	Each Year
	Outreach/education to mobile home buyers			No. activities each year, materials, participants	MFA/DFA	Each Year

3. NIMBYism	Meetings/Outreach in Fair Housing Month	MFA/DFA's use of HUD funds will provide outreach for funded activities to minorities, women, and businesses owned by minorities and women including real estate firms, construction firms, appraisal firms, managements firms, underwriters, accountants, and providers of legal services. Section 3 guidelines will also be followed and maintained.	All	Records of meetings each year, presentation and marketing materials	MFA/DFA	Each Year
Public and Private Sector						
1. Lack of understanding of fair housing laws	Meeting/outreach in Fair Housing Month	MFA will investigate and potentially produce an online housing dashboard providing interactive analytical data on housing, demographics, and economics for New Mexico which will enable local jurisdictions to be more thorough in preparing their Affordable Housing Plans.	All	No. of activities each year, materials, participants	MFA/DFA	Each Year
	Distribution of fair housing materials			No. of materials distributed each year		

Attachment B

FAIR HOUSING IMPEDIMENTS AND SOLUTIONS

CAPER 2015 - 1st year actions Accomplishments

Impediment	Suggested Action	Actions	Measurable Objectives	Accomplishment Count
1. Frequent denial of home purchase loans and predatory lending to American Indians and Hispanics because of credit history	Educate potential homebuyers through home purchase training	MFA will provide homebuyer education classes through HUD-certified providers via NM Attorney General Homeownership Preservation, Loss Mitigation and via eHome America online training.	No. of participants	1,290 households received housing counseling
2. Discriminatory terms, conditions and privileges related to rental housing statewide	Landlord/property management training	Staff will educate landlords and property managers about tenant's fair housing rights through training and counseling.	No. of activities, materials, participants	Worked with 20 owners on Affirmative Fair Housing Marketing Plan
3. Discriminatory refusal to rent based on race and/or disability statewide	Landlord/property management training	Staff will educate landlords and property managers about tenant's fair housing rights through training and counseling.	No. of activities, materials, participants	Worked with 20 owners on Affirmative Fair Housing Marketing Plan
4. Failure to make reasonable accommodation or modification statewide	Landlord/property management training	Provide training for landlords and property managers. Provide training for affordable housing developers. Enforce MFA's 2016 Design Standards, QAP, ADA and Section 504 through MFA's underwriting and compliance procedures.	2014 award communities – on site inspections by architect 4 times a year. 2015/2016 award communities – number of applications approved	2016 17 LIHTC applications 2015 approved 7 LIHTC awards 2014 approved 9 LIHTC awards, quarterly inspections since May 2014
5. Insufficient understanding of fair housing laws statewide	Distribution of fair housing materials	Hold outreach activities concerning fair housing in Fair Housing Month in April via advertising online. Distribution of fair housing flyers and brochures to MFA/DFA constituents and to the general public.	# of activities conducted; # of materials distributed	53 fair housing brochures distributed 5 FHEO contact referral
6. NIMBYism	Education and outreach	MFA/DFA's use of HUD funds will provide outreach for funded activities to minorities, women, and businesses owned by minorities and women, including real estate firms, construction firms, appraisal firms, managements firms, underwriters, accountants, and providers of legal services. Section 3 guidelines will also be followed and maintained.	Records of meetings, presentation and marketing materials	Information for MBE/WBE, Section 3, Section 504 provided on MFA website and DFA website

ATTACHMENT C
FAIR HOUSING IMPEDIMENTS AND SOLUTIONS – 2016 ACCOMPLISHMENTS
CAPER 2016 2nd year actions taken

Impediment	Suggested Action	Actions	Measurable Objectives	Accomplishment Count
1. Frequent denial of home purchase loans and predatory lending to American Indians and Hispanics because of credit history	Educate potential homebuyers through home purchase training	MFA will provide homebuyer education classes through HUD-certified providers via AG Homeownership Preservation, Loss Mitigation and via eHome America online training.	No. of participants	2,757 households received housing counseling from eHome America, GAHP, Homewise, Money Management, Navajo Partnership for Housing, SW Neighborhood Housing, SW Regional Housing & CDC, the Housing Trust and Tierra del Sol.
2. Discriminatory terms, conditions and privileges related to rental housing statewide; refusal to rent based on race and/or disability statewide	Landlord/property management training	Staff will educate landlords and property managers about tenant's fair housing rights through training and counseling.	No. of activities, materials, participants	Worked with 11 owners on Affirmative Fair Housing Marketing Plans Approved 4 AFHMPs Provided technical assistance to NM Legal Aid in their FHIP application in 2016.
3. Failure to make reasonable accommodation or modification statewide	Landlord/property management training	Provide training for landlords and property managers. Provide training for affordable housing developers. Enforce MFA's 2016 Design Standards, QAP, ADA and Section 504 through MFA's underwriting and compliance procedures.	2015, 2016 communities – on site inspections by architect 4 times a year. 2016/2017 communities – # of applications approved	2016 - approved 5 LIHTC awards 2015 approved 7 LIHTC awards, quarterly inspections since May 2015
4. Insufficient understanding of fair housing laws statewide	Distribution of fair housing materials	Hold outreach activities concerning fair housing in Fair Housing Month in April via advertising online. Distribution of fair housing flyers and brochures to MFA/DFA constituents and to the general public.	# of activities conducted; # of materials distributed	500 Spanish versions of fair housing brochure (1 box) distributed and re-ordered. 3 FHEO contact referrals
5. NIMBYism	Education and outreach	MFA/DFA's use of HUD funds will provide outreach for funded activities to minorities, women, and businesses owned by minorities and women, including real estate firms, construction firms, appraisal firms, managements firms, underwriters, accountants, and providers of legal services. Section 3 guidelines will also be followed and maintained.	Records of meetings, presentation and marketing materials	Provided 2 different versions of the 2516 form to HUD office. Section 504 Certification required with 101 CDD contracts in 2016. Section 3 report filed in SPEARS system.

FAIR HOUSING IMPEDIMENTS AND SOLUTIONS

2017 - 3rd year actions planned

Impediment	Suggested Action	Actions	Measurable Objectives	Accomplishment Count
Lack of owner-occupied rehabilitation and energy efficiency improvements for low-income New Mexicans	Strengthen delivery channels and build capacity to develop and rehab housing in underserved areas	Provide technical assistance to potential housing rehab providers and pursue additional funding	Number of new owner occupied rehab organizations in 2017	_____ owner occupied rehab organizations in 2017 _____ in new funding
Lack of understanding of Fair Housing	Encourage and support organizations seeking to provide fair housing services	Supply technical assistance to New Mexico organizations when they apply for fair housing funding	Providing the assistance to agencies when requested	Description of assistance supplied
	Provide Fair Housing information to public	Respond to public questions regarding Fair Housing	Number of Fair Housing Inquiries, by type, using new Tracking Database	_____ of Fair Housing inquiries, by type
	Ensure that recipients of federal funding are aware of Fair Housing and monitor the same	Distribute Fair Housing information during monitoring; conduct regular reviews	Monitoring visits for each department – Housing Development, Community Development, Asset Management	_____ monitoring visits by each department
Lack of housing counseling for homebuyers	Encourage and support organizations seeking funding for housing counseling;	Letters of support to agencies applying for housing counseling funding	Number letters of support for housing counseling agencies	___ letters of support for housing counseling agencies
	Continue to require pre-purchase counseling for first time homebuyers	Provide pre-purchase counseling	Number of pre-purchase counseling sessions provided to first time homebuyers	_____ counseling sessions supplied to first time homebuyers, by type
Accessibility for clients with disabilities	Require and review for Americans with Disabilities Act (ADA)/504 compliance for MFA funding.	Review all Housing Development projects at application for compliance with ADA and Section 504.	Number of reviews provided by architect under contract to MFA	_____ proposed projects reviewed for compliance with ADA and Section 504
	Require and review for Americans with Disabilities Act (ADA)/504 compliance for MFA funding.	Require Section 504 Certification for all contracts	Number of contracts executed in Community Development Dept.	_____ contracts executed for HOME, ESG, HOPWA and state homeless funding