



Fair Housing Advocates of Northern California

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FOR IMMEDIATE RELEASE

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Fair Housing Advocates of Northern California 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 the Richmond, Oakland and Vallejo areas and nationwide hit hardest by the foreclosure crisis and its aftermath.

San Rafael, CA — Today, Fair Housing Advocates of Northern California (FHANC), 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 the metro area of Vallejo – Solano County – as well as the metro area of Richmond and Oakland. In the case, FHANC 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.

“I am really pleased that we have been able to settle this case so we can begin to apply settlement funds toward the revitalization of the Vallejo, Richmond, and Oakland communities,” said Caroline Peattie, Executive Director of Fair Housing Advocates of Northern California. “We poured a lot of time and effort into investigating the differences between the marketing and maintenance of foreclosed homes in communities of color compared to White communities, because we knew how big an impact this can have on the health and well-being – financial and otherwise – of neighborhoods with foreclosed properties. We are excited that Fannie Mae has made the commitments it has in this settlement and are looking forward to the positive changes the

A local non-profit helping communities eliminate housing discrimination



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settlement funds can make in the areas of Solano County, Richmond, and Oakland, as well as the other metro areas across the country.”

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, 68 were located in Vallejo and other Solano County cities and towns, and 88 in the Richmond/Oakland area. 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. FHANC 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. The plaintiffs will manage and disburse the settlement funds, providing much-needed grants, including for 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.

Fair Housing Advocates of Northern California 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, NFHA’s General Counsel, and Julia Howard-Gibbon, Supervising Attorney of [Fair Housing Advocates of Northern California](#).

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.

Link to [Complaint](#)

Link to [Settlement Agreement](#)

Link to [Original Press Release](#)

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About Fair Housing Advocates of Northern California

Fair Housing Advocates of Northern California is a non-profit organization serving several Bay Area counties that provides free counseling, enforcement, mediation, and legal or administrative referrals to persons experiencing housing discrimination. Fair Housing Advocates of Northern California also offers foreclosure prevention counseling, pre-purchase education, seminars to help housing providers fully understand fair housing law, and education programs for tenants and the community at large. Fair Housing Advocates of Northern California is a HUD-Certified Housing Counseling Agency. Please call Fair Housing Advocates of Northern California at (415) 457-5025 or TDD: (800) 735-2922 for more information.