

Section IV– Evaluation of the Fair Housing Profile

This section of the Analysis of Impediments reviews the fair housing system, including the complaint process, the degree to which the entities active in the fair housing arena in the county cooperate and coordinate, the 2005 Fair Housing Survey, and home mortgage and lending practices seen in the county, and draws inferences about these relationships.

Complaint and Compliance Review

U.S. Department of Housing and Urban Development

Individuals who believe they have been discriminated against in a housing transaction may file a complaint with the HUD Enforcement Division in Seattle, WA. The first step in filing a complaint with HUD is to submit a Housing Discrimination Complaint form explaining the nature of the alleged violation. Housing discrimination complaint forms, HUD-903, are available on the Internet at <http://www.hud.gov/complaints/housediscrim.cfm>. A complaint form or additional information may be obtained by calling the HUD Housing Discrimination Hotline at 1-800-669-9777, or by writing to the following address:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
Room 5204
451 Seventh St. S.W.
Washington, DC 20410-2000

After receiving the complaint, HUD notifies the alleged violator of the complaint, and that person must submit a response. HUD will investigate the complaint and determine whether reasonable cause exists to believe that the Fair Housing Act has been violated.

HUD will try to reach a conciliation agreement with the respondent. If an agreement is reached, HUD will take no further action on the complaint. If HUD finds reasonable cause to believe that the discrimination occurred, and no conciliation is reached, the case will be heard in an administrative hearing within 120 days. The case may be handled by the Department of Justice (DOJ) and heard in U.S. District Court if one of the parties so desires.

In the administrative hearing, HUD lawyers will litigate the case for the complainant before an Administrative Law Judge (ALJ). If the ALJ decides that discrimination occurred, the respondent can be ordered:

- To compensate for actual damages, including humiliation, pain, and suffering
- To provide injunctive or other equitable relief; for example, to make housing available
- To pay the federal government a civil penalty to vindicate the public interest
 - The maximum penalties are \$10,000 for a first violation
 - \$27,500 for a second offense
 - \$50,000 for a third violation within seven years
- To pay reasonable attorney's fees and costs

Substantially Equivalent Agencies

In some states, a “substantially equivalent agency” may carry out the investigative and enforcement functions of fair housing. To create a substantially equivalent agency, a state or local jurisdiction must first enact a fair housing law that is substantially equivalent to the Federal Fair Housing Act. With the law in place, the jurisdiction may apply to HUD in Washington D.C. for substantially equivalent status. The jurisdiction’s law would then be examined, and the federal government would make a determination as to whether it was substantially equivalent. In addition, the local jurisdiction must show both the administrative capability and fiscal ability to carry out the law.

When substantially equivalent status has been granted, complaints of housing discrimination are filed at both the local agency and HUD. Local agencies are reimbursed for complaint intake and investigation and are given money for fair housing training and education. The local agency investigates most complaints. However, when federally subsidized housing is involved, HUD will investigate the complaint. Clackamas County has not enacted a fair housing law that is substantially equivalent to the Federal Fair Housing Act.

HUD Complaint Data

HUD maintains records of all the complaints that are filed with the agency. HUD then makes records of the complaints available. This study examined complaint records from Federal Fiscal Years 1990 through 2005. During that time, a total of 156 complaints were received. The reason for the complaints – and there may be more than one basis per complaint – are illustrated in Table IV.1, below.

TABLE IV.1
HUD HOUSING COMPLAINT DATABASE FOR CLACKAMAS COUNTY
BASIS OF COMPLAINTS: FEDERAL FISCAL YEARS 1990 THROUGH 2005

Year	Disability	Race	Sex	Family Status	Harassment/ Retaliation	National Origin	Religion	Total	Number of Complaints
1990	.	1	.	10	.	.	.	11	11
1991	7	1	3	8	.	.	.	19	20
1992	2	.	1	7	.	.	.	10	11
1993	5	1	.	13	.	1	.	20	21
1994	3	.	.	16	.	.	.	19	21
1995	2	3	1	3	.	.	.	9	7
1996	5	6	1	15	1	.	1	29	21
1997	3	2	.	7	2	1	.	15	14
1998	1	.	.	.	.	.	.	1	1
1999	.	.	.	1	.	.	.	1	1
2000	7	.	.	.	.	5	.	12	12
2001	3	.	1	1	1	.	.	6	3
2002	.	2	.	2	.	.	.	4	4
2003	.	.	.	.	.	.	.	.	1
2004	2	.	.	.	1	4	.	7	7
2005	.	1	.	.	.	.	.	1	1
Total	40	17	7	83	5	11	1	164	156

The greatest numbers of complaints received were those based on familial status, with 83 complaints over the 15-year period. The second greatest area of complaint was related to disability, with 40 complaints. Disability can be either a mental or physical disability, or other types of disabilities. Race had 17 complaints, followed by national origin, with some 11

complaints. In many parts of the country, cases based on disability and familial status represent the greatest area of complaints of housing discrimination.

As seen in Table IV.2, below, over the 15-year period, about 25 percent of the complaints were found to have “no cause”. No cause refers to a type of outcome of the complaint. After investigation, the housing discrimination complaint was found by HUD to be without merit and consequently was dismissed. About 23.5 of the racial complaints were found to be without cause. Furthermore, another 23 percent of the complaints were not completed due to administrative problems.

TABLE IV.2
HUD HOUSING COMPLAINT DATABASE FOR CLACKAMAS COUNTY
DISPOSITION OF COMPLAINTS: FEDERAL FISCAL YEARS 1990 THROUGH 2005

Year	No Cause Determination	Administrative Problems, Complaint Abandoned	Settlement Reached	Dismissed or No Discrimination Found	Open or Missing	Total Complaints
1990	1	6	3	1	.	11
1991	.	4	14	2	.	20
1992	1	4	6	.	.	11
1993	1	11	6	3	.	21
1994	7	.	11	3	.	21
1995	4	.	3	.	.	7
1996	8	6	6	.	1	21
1997	7	3	4	.	.	14
1998	.	.	.	.	1	1
1999	1	.	.	.	.	1
2000	5	.	1	6	.	12
2001	1	.	2	.	.	3
2002	2	1	1	.	.	4
2003	.	1	.	.	.	1
2004	1	.	5	.	1	7
2005	.	.	1	.	.	1
Total	39	36	63	15	3	156

Just 63 complaints reached any form of settlement, whether through conciliation or litigation. With so many complaints being dismissed as no cause, this condition implies that, among other possibilities, a lack of knowledge and a lack of understanding of the fair housing complaint process exists by complainants, and is hindering affirmatively furthering fair housing.

There are a number of issues pursuant to these complaints. These issues relate to the perceived violation of fair housing law, and there may be more than one issue supporting any particular complaint. Table IV.3, on the following page, presents the 15-year history of complaint by type of fair housing issue, comprising some 203 issues. By far, most issues relate to discriminatory terms and conditions, which constitute 89 of the 203 issues, with refusal to rent having another 30 issues.

TABLE IV.3
HUD HOUSING COMPLAINT DATABASE FOR CLACKAMAS COUNTY
FREQUENCY OF SELECTED COMPLAINTS: FEDERAL FISCAL YEARS 1990 THROUGH 2005

Discriminatory Actions	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	TOT
Discriminatory terms/conditions/privileges/services & facilities	1	2	8	16	16	4	20	9	.	1	6	1	2	1	1	1	89
Refusal to rent	6	2	3	3	2	2	4	4	.	.	3	.	1	.	.	.	30
Discriminatory terms/conditions/privileges/services & facilities, relating to rental or sale	4	8	.	.	1	.	.	2	1	.	3	1	2	.	1	.	23
Discriminatory acts under section 818 (coercion, etc)	.	.	.	2	3	2	7	3	.	.	.	1	.	.	1	.	19
Failure to make reasonable accommodation or modification	.	.	.	.	.	.	.	.	1	.	6	1	.	.	2	.	10
Advertising	.	4	.	.	.	.	.	1	.	.	1	.	1	.	3	.	10
Zoning and land use	.	1	.	.	2	.	.	.	.	.	6	.	.	.	.	.	9
Design and construction	.	4	1	.	.	.	.	.	.	.	.	.	.	.	.	.	5
Refusal to sell	.	.	1	.	.	.	.	.	.	.	.	.	.	.	4	.	5
Other	.	.	.	.	.	.	.	1	.	.	.	.	.	.	.	.	1
Discriminatory financing	.	.	1	.	.	.	.	.	.	.	.	.	.	.	.	.	1
False representation of availability	.	.	.	.	1	.	.	.	.	.	.	.	.	.	.	.	1
Total	11	21	14	21	25	8	31	20	2	1	25	4	6	1	12	1	203

Two main concerns arise with these data. In the previously noted U.S. General Accounting Office report on HUD enforcement processes, national statistics indicated that housing complaints were increasing, especially since 1998. However, the reverse appears to be occurring in Clackamas County, where very few complaints were filed with HUD over the 15-year period; far fewer complaints have been filed since 1998. In fact, there was just one complaint in 2003 and just one again in 2005. In Clackamas County, it would appear that the HUD complaint system is not being adequately utilized. Secondly, the frequency of particular complaint issues, chiefly discriminatory terms and conditions, imply a high level of ignorance of fair housing law. Consequently, both access to the HUD fair housing system and the overall understanding of fair housing laws by housing providers appears to be lacking in Clackamas County. Below, details on services provided by the county government and state to resolve fair housing complaints are looked at in more detail.

Clackamas County Community Action Agency

Clackamas County residents can turn to the local Community Action Agency (CAA) when they feel that a fair housing violation has occurred. CAA provides information and referral services. Clackamas County's intake process includes logging the call and advising the caller of their options. The CAA is not an enforcement or legal service. It is designed to be a first step only. The options include helping persons by providing forms, assistance with non-English speaking persons, low-income referrals to Legal Aid Services of Oregon or the Oregon State Bar Association for an attorney. Further, the CAA maintains documents of the fair housing case and conducts follow-up contact with the prospective complainant. However, the Clackamas County CAA lacks the capacity to conduct testing and enforcement; it is intended to be only an information and referral service.

During the period from July 1, 2004 to March of 2005, the CAA reported intake of 20 fair housing assistance and discrimination complaints.³⁴ Some clients who call the county for information and assistance complain of multiple reasons, or bases, for discrimination complaints.

³⁴ Jeanie Kuzmin -Walling, e-mail correspondence, June 2, 2005.

The most, 11 clients, needed assistance with reasonable accommodation or discrimination due to a disability. Two clients called to complain of being discriminated against due to their familial status, and two due to their national origin. One case was determined to have no basis for discrimination. Three clients called to complain that they had been discriminated against due to their criminal records, and were informed that this is not a protected class under fair housing law.

Those with discrimination claims whose basis is protected by fair housing law were provided with assistance in a number of ways. These methods included referral for legal advice, advice on filing a HUD complaint, or a recommendation to seek resolution with the landlord. Often, more than one avenue was recommended, such as filing a complaint with HUD and contacting Oregon Legal Services. Of the 11 cases involving disability, six claims involved failure to make reasonable accommodation. Two clients called with complaints of discrimination based on national origin and were directed to Oregon Legal Services. There was only one case involving discrimination based upon disability.

Fair Housing Council of Oregon

The Fair Housing Council of Oregon (FHCO) has developed a comprehensive program that addresses all stages of enforcement: outreach and information gathering, complaint intake, determination to investigate, test design and implementation, test evaluation, and referral for further legal action. The FHCO performs other types of investigations, such as apartment canvassing, witness interviews, property ownership searches, and document review. The FHCO also assists callers with disabilities who need guidance on requesting a reasonable accommodation or modification. Further, the FHCO provides culturally appropriate contact with immigrant communities, using bilingual and bicultural staff or contracting with language and culturally appropriate interpreters. The FHCO also recruits and trains testers.

Fair housing discrimination victims often first contact a resource other than the FHCO because they do not realize they have an enforceable fair housing claim or are untrusting of unfamiliar organizations. The FHCO uses established contacts with faith-based, community-based, and advocacy organizations throughout Oregon and southwest Washington with whom the FHCO partners for outreach activities to the targeted populations.

Successful outcomes require that housing providers change their discriminatory behavior. The FHCO encourages all complainants to file a complaint with HUD. FHCO staff will assist with completion of the HUD 903 complaint form when appropriate. In certain cases, the FHCO may seek to work out a resolution prior to sending the case to HUD. If complainants refuse to file with HUD, the FHCO requires them to sign a statement of their refusal and retain this document with their intake files.

*Fair Housing Council of Oregon Intake and Testing Procedures*³⁵

Staff screens all calls received over the toll-free hotline and separates them into four basic categories: allegations of fair housing discrimination, requests for fair housing information, landlord tenant questions, and other inquiries. All information is recorded on a log sheet. For allegations of fair housing discrimination, staff completes an intake form. FHCO's intake form

³⁴ Information provided by Pegge McGuire of the FHCO via e-mail correspondence, June 14, 2005.

requests information designed to ensure that cases referred to HUD for enforcement action are fully jurisdictional under the Fair Housing Act and to determine the nature of further investigation, and gather sufficient information to adequately meet reporting requirements. This information includes the basis of the complaint, the alleged act, the date that the alleged incident occurred, and the number of units that the respondent owns or rents. If there is a question as to the number of units owned or rented by the respondent, FHCO staff contacts the county records clerk for further information regarding properties owned. Statistical data on the complainant and the household is gathered as well.

The Test Coordinator reviews information gathered in the intake and creates profiles for protected class and comparison testers. All basic variables (age, gender, etc.) will match the complainant's as closely as possible. Protected class testers will have the same characteristics as comparison testers except for the characteristic being tested (e.g. race, familial status, national origin, etc.). Tests are performed on-site or by telephone. Most tests are conducted with a pair of testers; however, some tests may be completed using only one tester. Other tests such as "sandwich" tests or situations where new information is uncovered require three or more testers. Once testers are screened for familiarity with the test site and housing provider to avoid bias, the Test Coordinator contacts testers, confirms availability, and assigns the test profile. Testers are not told who the complainant is or anything about the initial allegation, including the protected factor that is being tested.

Each tester makes verbal and written reports to FHCO staff evaluating the reports for quality and credibility. Test results are usually based on the comparison between testing experiences. The Test Coordinator reviews all the information to assess whether the protected class tester experiences treatment similar to the original complainant but different than the comparison tester. At times, results are based on direct illegal statements made to only one tester. If necessary, staff prepares tester affidavits to supplement the written report. Tests are reviewed and evaluated for referral to HUD (except when there is no federal jurisdiction) or, in some cases, for further testing or other investigations. When a meritorious case is referred to HUD, FHCO will copy the file and send it directly to HUD. FHCO will follow up to make sure the complainant has actually filed.

The FHCO maintains a tester pool of over 100 active testers statewide. Testers attend an initial training session and subsequently receive regular feedback on their reports and performance. Periodically the FHCO offer refresher or advanced training. To augment the comprehensiveness of the existing tester pool, staff focuses recruiting efforts on particular ages, sexes, and ethnicities. Many times the FHCO are able to recruit testers through referrals from current testers, or through advocates and agencies with whom the FHCO have contact. Recruitment of testers from immigrant populations is targeted through advocates and agencies working with those populations. The FHCO also perform focused outreach through churches, civic groups, and universities. The FHCO pre-screen testers for specific criteria, add them to the potential tester list, and then notify them when the FHCO set up a training session. The FHCO also perform a criminal record check to confirm that testers have no criminal convictions affecting their credibility.

The primary goal of training testers is to help them to understand that the FHCO expects them to be the "eyes and ears" of FHCO, without engaging in the evaluation of the assigned test. The FHCO review the test report forms and provide a sample of a completed report. Early in the

training, staff presents a role-play of what a test is like (including receiving a simulated assignment from the enforcement coordinator), and later the testers practice testing and complete a report form.

The FHCO implements a test methodology to detect both intentional discrimination and effective discrimination (using a rule or policy that appears neutral on its face but has the result of discriminating against a member of a protected class) in the insurance markets, sales, lending, rental industries, assisted living facilities, shelters and temporary housing, and other elements of housing transactions.

Trained and experienced FHCO staff conduct construction and design audit testing on specific targets identified by the enforcement coordinator, based on date and type of construction (to ensure it is jurisdictional housing and has not exceeded any statute of limitations for dates of construction). The test coordinator assigns, coordinates, and monitors tests.

Following completion of tests, the enforcement coordinator analyzes all tester reports. Paired tests are analyzed by comparing numerous factors, such as the number and costs of housing quoted and other information offered, time spent with agents, degree of encouragement, and comments on the housing or neighborhood or section of the property in which the housing is located. Design and construction tests are analyzed based on strict formulas identified in design codes such as ANSI, identified by the Uniform Federal Accessibility Standards.

Fair Housing Council of Oregon Intake Data

Intake transactions reported by FHCO include housing sales, rental, and financing. The results are listed in table IV.4, below.

TABLE IV.4
FAIR HOUSING COUNCIL OF OREGON
CLACKAMAS COUNTY COMPLAINTS INVESTIGATED, 1991 – 2005

Basis	Intake	Non-Testable	Test	Evidence	No Evidence	Inconclusive	Incomplete	Total
Race	35	3	32	5	12	9	6	32
Color	2	2	0	0	0	0	0	0
Religion	1		1	1	0	0	0	1
National Origin	41	13	28	4	12	5	7	28
Gender	9	4	5	1	1	1	2	5
Familial Status	74	19	55	15	14	6	20	55
Disability	52	40	12	2	5	3	2	12
Marital Status	8	2	6	2	0	2	2	6
Source of Income	5	2	3	0	1	1	1	3
Unknown	5		5	3	1	0	1	5
Total Intake(1)	232	85	147	33	46	27	41	147

(1) Some intakes report multiple complaint bases

The FHCO reports that there were about 900 hotline calls from Clackamas County over the fifteen-year period from 1991 through 2005.³⁶ However, about 232 calls were related to housing, with about 147 being determined to need a test. Similar to HUD's enforcement activities, though, most of these FHCO activities were prior to 1998. Just five were recorded in 2003, five more in 2004, and just four in 2005.

³⁶ Fair Housing Council of Oregon

Currently, FHCO intake procedures for Clackamas County citizens often represent a simple referral to the Clackamas County Community Action Agency, even though that office does not conduct any enforcement activities.

Other Activities of the Fair Housing Council of Oregon

In targeted counties, the FHCO ascertain the land use regulatory jurisdiction. Prior to physically going to the county, FHCO administrative staff obtains a copy of any applicable land use regulations, building codes, comprehensive/strategic plans, and analyses of impediments for the jurisdiction. The Enforcement Coordinator, the executive director, and other staff and collaborative partners review the regulations and identify barriers to developing affordable and accessible housing. A HUD Form 27300 is completed for each jurisdiction. If questions are not able to be answered by examining the documents obtained, a preliminary evaluation is done. The FHCO sends a summary letter, containing the recommendations for barrier removal and findings to the elected officials for the jurisdiction and the heads of the departments charged with land use regulatory oversight. However, Clackamas County is not one of the FHCO targeted counties.

Suits Filed by the Department of Justice

If a complainant chooses to resolve a complaint in federal court rather than through an Administrative Law Judge, the U.S. Department of Justice (DOJ) files the case. DOJ records do not list any recent cases in Clackamas County on their website.³⁷

Summary of Complaint and Compliance Review

Access to and use of the HUD housing complaint system is little utilized in Clackamas County, as few individuals go to the agency anymore. The Clackamas County Community Action Agency, under contract with the Community Development Division, conducts information and referral services only. The Fair Housing Council of Oregon, with the capacity for education, outreach, testing and enforcement, conducts relatively few of these activities in Clackamas County. While sufficient capacity is available to the citizens of the county for pursuit of a fair housing complaint, and review of fair housing compliance by housing providers, cooperation and coordination of active fair housing entities in Clackamas County is limited. This lack of interagency coordination tends to hamper affirmatively furthering fair housing.

³⁷ <http://www.usdoj.gov>

The 2005 Fair Housing Survey

Respondents to the 2005 Fair Housing Survey

During the spring of 2005, 70 telephone interviews with persons knowledgeable about housing and housing-related services in Clackamas County were completed. The goal of the survey process was to contact persons who are experts in the affordable housing industry and assess their knowledge of fair housing compliance, thoughts on perceived impediments to fair housing choice, and other barriers to and constraints on fair housing in the county.

Survey respondents included representatives scattered throughout the greater Portland metropolitan area, but concentrated within Clackamas County. Several different occupations were involved in the process, from attorneys to executive directors and managers. Selected categories are seen in Table IV.5, below. The greatest numbers of respondents, 15 from each category, a total of 30, were individuals from social service agencies specializing in housing and housing-related services or other general service entities.

TABLE IV.5
SURVEY RESPONDENT ORGANIZATIONS
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Organization	Respondents
Social Services – Housing	15
Other Service Providers	15
State/Local Government Officials	13
Housing Agency	7
Political Activist	6
Low Income Housing Project	5
Development Corporation	3
Bank officials	2
Attorneys	2
Community Development	1
Planner	1
Total	70

A recurring theme among those persons being interviewed was the notion of an improved working environment. The ability of interested parties in Clackamas County to work together in a cooperative, non-threatening, and constructive fashion was believed to have drastically improved during the last several years. Furthermore, a number of respondents viewed county officials' commitment to fair housing as having increased significantly over this period, as well. Consequently, the overall tone was one of optimism and hope.

Understanding of Fair Housing Law

Federal and state law prohibits housing discrimination against members of protected classes. Those protected classes are race, color, national origin, religion, gender, and familial status. Pertinent to Clackamas County, Oregon law adds marital status and source of income as additional protected classes. One goal of the telephone survey was to ascertain respondents' knowledge of these fair housing laws. Participants were asked to list who they felt was protected by fair housing law. Just 7 individuals correctly listed all the protected classes. Generally, respondents supplied a partial list of the protected classes, as shown in Table IV.6, on the following page. Slightly less than half of the respondents gave a partial list of the protected

classes when asked who was protected by fair housing law. About 20 percent of the respondents, 14 of the 70 respondents, thought the law covered “everyone” and 3 respondents said that they didn’t know who was covered by the laws.

TABLE IV.6
UNDERSTANDING OF FAIR HOUSING LAW
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Who is protected by fair housing laws?	Number	Percent
Partial list of protected classes	33	48.53%
Everyone	14	20.59%
Correctly listed the protected classes	9	10.29%
Landlords and tenants	6	8.82%
Don't know	3	4.41%
Tenants	2	2.94%
Consumers	2	2.94%
Racial Minorities	1	1.47%
Total	70	100.00%

Over 30 percent of those interviewed indicated that fair housing laws are difficult to understand or follow, as seen in Table IV.7, below. Another 10 percent indicated that people they worked with have a difficult time interpreting fair housing law. It should be noted that the group of people who were contacted were experts and were intended to be the best informed about fair housing in Clackamas County. If such a large portion of this expert group had these difficulties understanding fair housing law, the lay public must have a much weaker understanding. Consequently, this indicates a need for outreach and education for both the expert community and the general public.

TABLE IV.7
UNDERSTANDING OF FAIR HOUSING LAW
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Are they difficult to understand or follow?	Number	Percent
No	33	47.83%
Yes	21	30.43%
Not for me, but people I work with	8	10.14%
Don't know	8	11.59%
Total	70	100.00%

Table IV.8, on the following page, offers information on where the interviewees might refer an individual who felt that they had been a victim of a fair housing violation. The Fair Housing Council of Oregon was most frequently cited. However, the FHCO does not typically pursue complaints in Clackamas County. The FHCO is more likely to refer callers to the Clackamas County Community Action Agency, the third most frequently cited organization in the survey. However, due to the range of answers, from “the housing authority” to “city government”, it would appear that no common or uniform referral system is in place. Constrained by the lack of a clear understanding of where to turn, gaining access to the fair housing complaint system appears artificially limited.

TABLE IV.8
REFERRALS FOR VICTIMS OF HOUSING DISCRIMINATION
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Resource	Number
Fair Housing Council of Oregon	17
Legal Aid	13
Social Services	12
Housing Authority of Clackamas County	7
HUD	6
County Government	4
State Government	4
Attorney	3
Don't know	2
City Government	1
Ombudsman	1
Total	70

Two additional lines of inquiry pointed out other prospective limitations of the fair housing system in Clackamas County. By a ratio of nearly one to three, respondents expressed that outreach and education efforts were currently insufficient, as seen in Table IV.9, below. While some respondents indicated having seen or heard television or radio advertisements, most felt that additional outreach and education through a wider variety of avenues was needed.

Furthermore, by a ratio of nearly one to ten, respondents felt that more testing is needed, also noted in Table IV.9, below. With the HUD housing complaint database lodging so few complaints in recent years, the FHCO not protecting sufficient enforcement activities in Clackamas county, and the CAA functioning as an information and referral service only, it is worth noting that this question generated such strong sentiment.

TABLE IV.9
FAIR HOUSING UNDERSTANDING AND EDUCATION
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Question	Yes	No	Don't know	Other	Total
Is there enough outreach and education about fair housing?	15	44	9	2	70
Do you feel more fair housing testing is needed?	29	3	32	6	70

Additional Fair Housing Concerns

Table IV.10, below, presents a summary of several more issues associated with fair housing in the county. Nearly all respondents felt that fair housing law serves a useful purpose. However, about 34 respondents said that there were indeed specific areas with the most violations.

TABLE IV.10
FAIR HOUSING CONCERNS – SUMMARY TABLE
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Question	Yes	No	Don't know	No Comment	If Necessary
Does the fair housing law serve a useful purpose?	62	0	8	0	0
Are there areas in the county with fair housing problems?	34	31	5	0	0
Do you know of unfair housing practices or discrimination?	26	30	14	0	0
Are there city, county, or state policies adversely affecting fair housing?	26	40	4	0	0
Do you think the county needs a fair housing law?	25	32	12	1	0
Do you see a need for a county fair housing plan?	23	25	16	4	2

Fair Housing Problems or Unfair Practices. Most respondents to the interview process referred to unfair housing practices related to seasonal and migrant farm worker housing; in other cases, respondents related experiences with “Not in My Backyard” (NIMBY) attitudes, such as

community opposition to affordable housing projects, as well as housing for those with special needs, such as the disabled, the elderly, and those with other care requirements. This included those moving from emergency shelter to permanent housing, such as victims of domestic violence.

However, additional comments were more specific along the lines of not affording reasonable accommodation to the disabled in existing and new construction. Particular mention was made of the elderly with mobility constraints; respondents felt that hallways and doorways were not wide enough to accommodate wheelchairs or were obstructive to in-home caregivers or companion animals.

City, County, and State Policies. About 26 respondents indicated that there were city, county, or state policies that adversely affected fair housing. This family of responses indicated several issues related to zoning and building policies at the local and state level. Several respondents suggested that state legislation was a barrier to the construction of new affordable housing by local government. The overall impression of these respondents was that new or creative ways to supply affordable or low-income housing were not being given a chance due to strict state guidelines, which prohibited local government from changing their zoning and building guidelines to allow for new affordable housing construction. The theme related to allowing wider application of affordable housing opportunities, allowing housing to be made available in a less costly fashion, thereby dispersing affordable housing throughout a broader area of the county.

It should be pointed out, however, that Clackamas County government has had provisions in its zoning code since 1980 that allow an easement in density restrictions, if affordable housing is provided. The percentage increase in density varies with the Comprehensive Plan category.

Some practical applications suggested by respondents to increase affordable housing were lowering restrictions on density; offering affordable housing developers system development charge waivers; creating inclusionary zoning policies that required a portion of all constructed housing in a given area to be affordable housing; modified infrastructure standards; parking exceptions; and other types of affordable housing production incentives. State law was also cited in regard to units of local government not having the ability to implement a real estate transfer fee to be used for a housing trust fund. Opinions supported the notion that by providing wider access to affordable housing choices, racial and ethnic minorities as well as the disabled would have enhanced housing choices available to them.

Other ideas expressed emphasized housing rehabilitation or having some kind of grant or loan program that would allow families in need the chance to keep their home or apartment through an assistance program.

A number of respondents to the survey cited the county anti-camping ordinances in various cities as an impediment to fair housing choice.

Fair Housing Law. Some 25 of the respondents said that the county needs to add strength to its fair housing law. This would make the county's fair housing law more consistent with those of neighboring jurisdictions, they said. One respondent suggested that this would make it possible to network with neighboring jurisdictions and pool resources, thereby gaining a clearer picture of the regional housing climate. On the other hand, another 25 indicated that this was not a wise

choice; many of these respondents felt that state or federal fair housing laws were adequate for the county’s needs. Another 16 indicated that they did not have an opinion on the matter.

Fair Housing Planning. When asked about the need for a county fair housing plan, sentiment was mixed. While 16 respondents expressed uncertainty as to whether one currently exists, 23 respondents expressed the belief that such an effort could assist in affirmatively furthering fair housing. Some of those acknowledged that such a plan could enhance education and outreach. Others expressed a desire to see a more inclusive method of outreach in planning, such as multi-lingual notices and literature advising landlords and tenants of their fair housing rights and responsibilities. Another concern was the promotion of a more uniform and consistent referral system, which could be resolved through a planning function. Having such planning might also allow for a testing and enforcement component to the county’s fair housing system.

It should be noted that the Clackamas County Planning Department is planning to comply with Oregon’s Land Use Goal 10 and Title 7 of Metro’s Urban Growth Functional Plan. Goal 10 specifies that each city must plan for and accommodate needed housing types, including multifamily and manufactured housing. It also prohibits local plans from discriminating against needed housing types. The intent of Title 7 is to provide a variety of housing types, reduce barriers to affordable housing for all income levels, and create housing that is on par with job wages across the region.

General Concerns Expressed by Survey Respondents

Table IV.11, below, is a summary of the some more frequently cited general concerns expressed by respondents. The most frequently cited issue related to the need for more outreach and education for fair housing. Furthermore, by promoting enhanced housing affordability, low-income concentrations may be minimized. While 26 respondents expressed the opinion that building codes or zoning regulations are adversely affecting fair housing choice, most of these respondents qualified their comments by stating that they didn’t have specific instances to cite, but had an overall idea that this was the case.

TABLE IV.11
AREAS OF CONCERN MOST FREQUENTLY CITED
2005 CLACKAMAS COUNTY FAIR HOUSING SURVEY

Concern	Responses
Education and Outreach	39
Affordability/Lack of Supply of Affordable Housing	39
Building Codes/Zoning/Regulations	26
Discrimination	20
Accessibility	15
“The County is Making Positive Strides”	12
Limited Resources	12
Fair Housing Issue is Not Prioritized by Commissioners	12
Substandard Living Conditions	10
Enforcement of Fair Housing Laws	8
Homelessness	6

Summary of 2005 Fair Housing Survey

The survey contacted and interviewed 70 people familiar with housing and housing-related services in Clackamas County. Survey findings indicate that additional education and outreach related to fair housing law and impediments to fair housing is desirable. The content of responses

also implies that having a more uniform and consistent referral system for pursuing fair housing complaints would encourage a more active housing complaint process. Introducing a fair housing testing and enforcement mechanism in Clackamas County would be welcomed by the interviewees. Sentiments expressed by several interview respondents blamed land use policies, whether building or zoning in application, that increase the cost of affordable housing, thus detracting from affirmatively furthering fair housing.

Home Mortgage Disclosure Act Analysis

Home Mortgage Disclosure Act (HMDA) data was used in the Clackamas County Analysis of Impediments. Congress enacted the Act in 1975, and it has been amended several times. It was made permanent in 1988. The Act requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans. Under the Act, financial institutions are required to report the race, sex, loan amount, and income of mortgage applicants and borrowers by census tract.

Information from the HMDA database for the years 1993 through 2003 was collected and analyzed for Clackamas, Multnomah and Washington counties and the state of Oregon. Loan applications were analyzed in several ways. These include race and gender of the applicant, the loan application amount, loan types, lender actions and denial rates. Furthermore, denial rates in Clackamas County were compared with Multnomah and Washington counties and Oregon. Lastly, loan denial rates were analyzed by race at the national level during 2002-2003.³⁸

Table IV.12, below, presents the number of loan applications each year from 1993 through 2003, separated by the purpose of the loan application. The purposes relate to home purchase. The other category includes home improvement, refinance, the purchase of a multifamily dwelling, and a few missing loan purchase purpose.

TABLE IV.12
HOME MORTGAGE DISCLOSURE ACT DATA
CLACKAMAS, MULTNOMAH, WASHINGTON COUNTIES AND STATE OF OREGON: 1993 THROUGH 2003

Geography	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Clackamas County												
Home Purchase	7,914	8,731	9,357	10,397	11,971	13,848	13,112	12,582	13,209	13,011	15,225	129,357
% of Oregon	15.20	14.09	13.24	12.21	11.88	11.14	10.86	10.61	11.65	10.87	10.90	11.68
Other	15,959	9,254	8,471	14,034	17,017	30,348	20,216	11,830	27,977	33,604	50,186	238,896
Total	23,873	17,985	17,828	24,431	28,988	44,196	33,328	24,412	41,186	46,615	65,411	368,253
Multnomah County												
Home Purchase	13,459	15,625	16,927	19,693	20,475	24,280	23,410	23,018	23,194	24,590	28,793	233,464
% of Oregon	25.84	25.21	23.94	23.13	20.32	19.53	19.38	19.40	20.45	20.54	20.60	21.09
Other	25,712	17,065	15,438	27,607	31,608	52,503	37,790	22,987	48,612	58,165	84,555	422,042
Total	39,171	32,690	32,365	47,300	52,083	76,783	61,200	46,005	71,806	82,755	113,348	655,506
Washington County												
Home Purchase	10,123	11,101	12,305	14,312	16,073	18,477	18,105	18,551	18,883	19,306	22,574	179,810
% of Oregon	19.44	17.91	17.41	16.81	15.95	14.87	14.99	15.64	16.65	16.13	16.15	16.24
Other	17,873	9,273	7,837	13,675	16,853	32,615	20,119	11,110	32,661	41,665	62,489	266,170
Total	27,996	20,374	20,142	27,987	32,926	51,092	38,224	29,661	51,544	60,971	85,063	445,980
State of Oregon												
Home Purchase	52,077	61,984	70,698	85,127	100,744	124,291	120,765	118,637	113,408	119,710	139,743	1,107,184
Other	92,307	59,773	52,825	97,615	124,708	230,021	171,207	106,737	226,793	268,487	403,616	1,834,089
Total	144,384	121,757	123,523	182,742	225,452	354,312	291,972	225,374	340,201	388,197	543,359	2,941,273

³⁸ Data from HMDA are considered "raw" loan account records and some individual entries may contain errors or omissions.

Over the 11-year period, there were a total of 368,253 loan applications in Clackamas County. This represents 12.5 percent of total loan applications statewide. Multnomah County had 22.3 percent of total loans statewide and Washington County had 15.2 percent of total loans statewide.

There were a total of 129,357 home purchase loans in Clackamas County, which comprised 11.7 percent of home purchase loans statewide. This compares to 21.1 percent home purchase loans in Multnomah County and 16.2 percent in Washington County.

Of the 129,357 home purchase loan applications in Clackamas County, 93 percent, or 120,692, were for primary residence or owner-occupied year-round housing. These data are presented in Table IV.13, below.

Owner-occupied loan applications in Clackamas County comprised 12.2 percent of the total statewide. This compares to 21.2 percent owner-occupied loan applications in Multnomah County, and 16.9 percent in Washington County. Owner-occupied loan applications in Clackamas County have been increasing at an annual rate of 6.5 percent over the 11-year period. This compares to an annual rate of increase of 9.8 percent statewide.

TABLE IV.13
HOME MORTGAGE DISCLOSURE ACT DATA
HOME PURCHASE LOAN APPLICATIONS

CLACKAMAS, MULTNOMAH, WASHINGTON COUNTIES AND STATE OF OREGON: 1993 THROUGH 2003												
Geography	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Clackamas County												
Home Purchase	7,520	8,314	8,775	9,646	10,966	12,697	12,425	11,858	12,415	12,024	14,052	120,692
% of Oregon	15.64	14.52	13.96	12.65	12.31	11.49	11.14	10.96	12.10	11.45	11.51	12.15
Other	394	417	582	751	1,005	1,151	687	724	794	987	1,173	8,665
Total	7,914	8,731	9,357	10,397	11,971	13,848	13,112	12,582	13,209	13,011	15,225	129,357
Multnomah County												
Home Purchase	12,377	14,341	15,240	17,543	17,875	21,796	21,602	21,051	21,293	21,942	25,245	210,305
% of Oregon	25.75	25.05	24.24	23.01	20.07	19.72	19.37	19.45	20.75	20.89	20.67	21.17
Other	1,082	1,284	1,687	2,150	2,600	2,484	1,808	1,967	1,901	2,648	3,548	23,159
Total	13,459	15,625	16,927	19,693	20,475	24,280	23,410	23,018	23,194	24,590	28,793	233,464
Washington County												
Home Purchase	9,438	10,325	11,327	13,064	14,599	17,090	17,338	17,690	17,900	18,142	21,119	168,032
% of Oregon	19.63	18.04	18.01	17.14	16.39	15.46	15.55	16.34	17.44	17.28	17.29	16.91
Other	685	776	978	1,248	1,474	1,387	767	861	983	1,164	1,455	11,778
Total	10,123	11,101	12,305	14,312	16,073	18,477	18,105	18,551	18,883	19,306	22,574	179,810
State of Oregon												
Home Purchase	48,074	57,243	62,879	76,226	89,060	110,549	111,532	108,231	102,616	105,015	122,133	993,558
Other	4,003	4,741	7,819	8,901	11,684	13,742	9,233	10,406	10,792	14,695	17,610	113,626
Total	52,077	61,984	70,698	85,127	100,744	124,291	120,765	118,637	113,408	119,710	139,743	1,107,184

These loan applications were presented to conventional lenders, FHA, VA, and Rural Housing or Farm Service Agencies (RHS/RFS). Nearly all of these loan applications have occurred in the conventional market, comprising nearly 107,000 applications, there is another 10,000 in the FHA market and over 3,380 in the VA guaranteed market. Further details of loan applications by type of loan are presented in Table C.3, in Appendix C.

Loan applications for the purchase of owner-occupied units were separated into six types of actions taken. "Originated" indicates that the loan was made by the lending institution. "Approved but not accepted" represents loans approved by the lender but not accepted by the applicant, which generally occurs if better terms are found with another lender. "Application

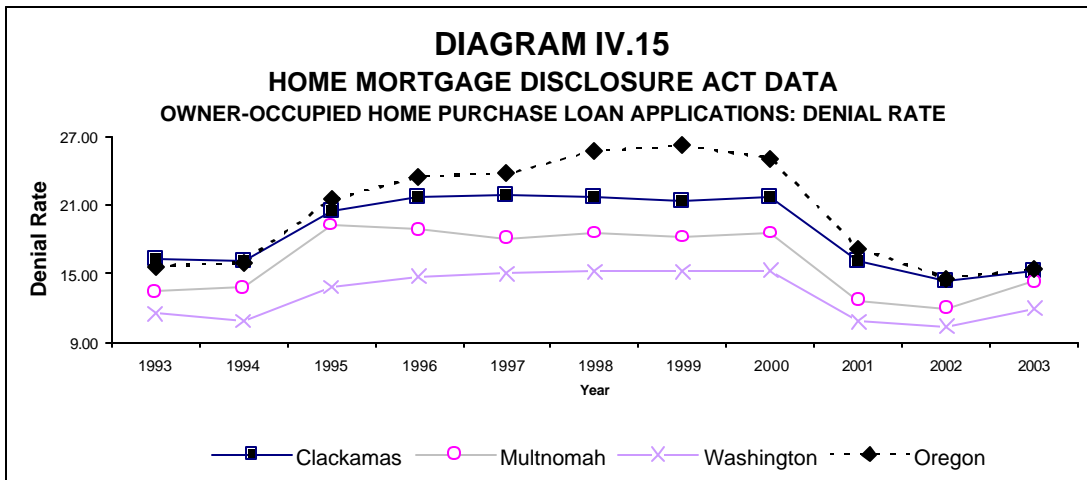
denied by financial institution” defines a situation where the loan application failed. “Application withdrawn by applicant” means that the applicant closed the application process. “File closed for incompleteness” means that the loan application process was closed by the institution due to incomplete information. “Loan purchased by the institution” indicates that the previously originated loan was bought on the secondary market. Details of owner-occupied loans by type of action take are presented in Table C.4, in Appendix C.

Of 120,692 owner-occupied loan applications in Clackamas County, 66,620 were originated and another 15,450 were denied. Considering just these two types of actions, and the implications for Clackamas County’s residents is one of two primary purposes of the investigation of HMDA data presented in this document. The overall denial rate in Clackamas County over the 1993-2003 period was some 18.8 percent compared to 20.8 percent statewide. Both Multnomah and Washington counties had overall average denial rates of 16.1 and 13.2 percent respectively. This data is presented in Table IV.14, below.

TABLE IV.14
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES
CLACKAMAS, MULTNOMAH, WASHINGTON COUNTIES AND STATE OF OREGON: 1993 THROUGH 2003

Application Action	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Clackamas County												
Loan Originated	5,168	5,420	5,186	5,236	5,781	6,662	6,281	5,923	6,824	6,689	7,450	66,620
Application Denied	1,011	1,041	1,341	1,457	1,617	1,851	1,707	1,650	1,307	1,123	1,345	15,450
Denial Rate	16.36	16.11	20.55	21.77	21.86	21.74	21.37	21.79	16.07	14.38	15.29	18.83
Multnomah County												
Loan Originated	8,910	9,566	8,974	9,874	9,979	11,912	11,495	11,160	12,470	12,773	13,578	120,691
Application Denied	1,383	1,534	2,145	2,299	2,201	2,722	2,564	2,550	1,810	1,734	2,265	23,207
Denial Rate	13.44	13.82	19.29	18.89	18.07	18.60	18.24	18.60	12.68	11.95	14.30	16.13
Washington County												
Loan Originated	6,957	7,185	7,323	7,790	8,650	9,960	9,806	9,797	10,545	10,521	11,532	100,066
Application Denied	907	876	1,175	1,349	1,530	1,781	1,756	1,765	1,274	1,221	1,571	15,205
Denial Rate	11.53	10.87	13.83	14.76	15.03	15.17	15.19	15.27	10.78	10.40	11.99	13.19
State of Oregon												
Loan Originated	33,111	36,961	36,634	40,972	47,803	56,881	55,705	53,538	57,005	58,470	64,947	542,027
Application Denied	6,149	7,020	10,039	12,635	14,915	19,742	19,807	17,988	11,864	10,016	11,812	141,987
Denial Rate	15.66	15.96	21.51	23.57	23.78	25.77	26.23	25.15	17.23	14.62	15.39	20.76

Denial rates over the 11-year history have followed similar trends in the three counties and statewide. Denial rates in Clackamas County were 16.4 percent in 1993, and peaked to more than 21 percent between 1995 and 2000. Denial rates have been declining since, reaching 15.3 percent in 2003. While denial rates in Multnomah County declined to 14.3 percent from the highs seen during the mid- and late 1990s, the 2003 denial rate at 14.3 percent is still higher than the 1993 rate of 13.4. Denial rates in Washington County and Oregon also have gone back to levels seen in the early 1990s. This trend is presented graphically in Diagram IV.15, on the following page.



It is particularly interesting to review the denial rates experienced by various segments of the population and various types of lender communities. Therefore, denial rates were computed by gender and race of the primary loan applicant. The gender denial rates are presented in Table IV.15, below.

TABLE IV.15
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY GENDER
CLACKAMAS, MULTNOMAH, WASHINGTON COUNTIES AND STATE OF OREGON: 1993 THROUGH 2003

Gender	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Clackamas County												
Male	15.99	15.43	19.68	20.65	20.11	18.96	19.03	18.14	13.75	12.46	14.59	17.19
Female	16.06	18.11	24.12	24.86	23.70	23.59	25.06	27.88	17.78	17.22	16.10	21.14
Total	16.36	16.11	20.55	21.77	21.86	21.74	21.37	21.79	16.07	14.38	15.29	18.83
Multnomah County												
Male	13.60	13.78	20.10	18.14	16.77	17.26	17.36	16.93	11.38	11.67	14.05	15.56
Female	12.10	13.18	17.15	19.52	18.28	17.52	17.74	18.91	12.22	11.75	14.16	15.58
Total	13.44	13.82	19.29	18.89	18.07	18.60	18.24	18.60	12.68	11.95	14.30	16.13
Washington County												
Male	11.08	10.46	13.56	13.66	13.55	13.40	14.01	13.50	9.81	9.19	11.02	12.15
Female	12.14	11.10	15.00	18.57	18.66	17.41	16.97	16.89	11.10	11.87	13.51	14.73
Total	11.53	10.87	13.83	14.76	15.03	15.17	15.19	15.27	10.78	10.40	11.99	13.19
State of Oregon												
Male	15.48	15.40	21.17	22.21	22.15	23.87	24.91	21.81	14.18	13.01	14.56	19.26
Female	14.67	16.80	22.91	27.19	26.39	27.70	28.48	26.85	17.16	15.83	16.27	22.04
Total	15.66	15.96	21.51	23.57	23.78	25.77	26.23	25.15	17.23	14.62	15.39	20.76

The total number of loans originated and denied for these populations are presented in Appendix C. Females tend to have higher denial rates than males in the three counties and statewide. However, the disparity in denial rates is not as wide in Multnomah County. The highest denial rate period, for everyone, occurred in 1999. Even though females tend to have higher denial rates, it does not directly lead to an inference of discriminatory lending practices. Denial reasons vary, as seen in the table above, and insufficient denial reasons are present to be able to form concrete conclusions.

Table IV.16, on the following page, presents denial data by race. In terms of racial issues, blacks, American Indians/Pacific Islanders and Hispanics in Clackamas County had the highest denial

rates, 33.2 percent, 30.8 percent and 28.6 percent respectively over the 11-year period. It topped 47.5 percent in 1998. These three minority groups had similarly high denial rates in Multnomah and Washington counties, as well as statewide. Asians had the lowest denial rate in all these areas, with an average of 14.1 percent in Clackamas County.

TABLE IV.16
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY RACE
CLACKAMAS, MULTNOMAH, WASHINGTON COUNTIES AND STATE OF OREGON: 1993 THROUGH 2003

Race	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Clackamas County												
American Indian/Alaskan Native	12.00	25.58	33.33	23.81	57.78	27.50	37.21	36.00	30.43	31.43	16.98	30.75
Asian or Pacific Islander	15.65	11.90	13.97	13.92	12.44	13.97	12.30	20.80	13.89	10.00	14.50	14.08
Black	13.64	20.83	46.43	20.59	38.64	34.15	29.03	47.17	45.16	30.23	17.39	33.18
Hispanic	17.07	25.71	36.36	35.09	29.07	29.82	31.86	29.41	24.23	24.88	28.57	28.56
White	15.87	15.62	20.15	20.73	20.13	19.32	19.80	19.06	13.72	13.11	14.07	17.40
Other	48.98	22.22	35.56	41.76	28.30	39.68	33.98	35.87	23.53	12.94	18.75	31.00
Total	16.36	16.11	20.55	21.77	21.86	21.74	21.37	21.79	16.07	14.38	15.29	18.83
Multnomah County												
American Indian/Alaskan Native	13.21	19.12	36.67	33.33	29.33	39.53	16.87	32.14	27.54	13.16	18.33	26.42
Asian or Pacific Islander	11.20	13.88	13.30	12.30	12.09	13.30	16.43	15.89	11.53	13.45	14.96	13.58
Black	22.95	17.83	29.25	30.27	25.77	29.73	27.15	31.23	26.45	23.66	25.00	26.41
Hispanic	20.38	21.56	24.33	24.42	20.24	22.01	23.70	21.11	15.90	19.33	22.50	21.11
White	12.77	13.09	19.04	17.75	16.48	16.40	16.73	16.51	10.76	10.72	12.88	14.78
Other	26.47	23.60	29.51	37.17	21.77	28.74	26.47	24.70	14.62	12.12	14.10	23.80
Total	13.44	13.82	19.29	18.89	18.07	18.60	18.24	18.60	12.68	11.95	14.30	16.13
Washington County												
American Indian/Alaskan Native	24.24	9.09	11.54	33.33	35.90	43.59	23.53	33.33	24.24	9.68	10.64	24.01
Asian or Pacific Islander	12.06	9.24	14.55	12.40	9.54	9.07	12.88	11.96	9.06	10.30	9.93	10.83
Black	10.53	7.58	22.22	26.47	21.28	20.00	24.00	24.00	17.02	13.21	26.15	20.20
Hispanic	20.11	19.03	19.69	24.16	23.09	23.80	19.33	19.16	14.91	15.75	22.75	19.90
White	10.77	10.39	13.55	13.84	13.95	13.82	14.41	13.54	9.40	9.42	10.72	12.19
Other	30.95	19.10	20.59	27.54	17.04	20.39	17.68	22.28	16.56	12.18	10.85	18.43
Total	11.53	10.87	13.83	14.76	15.03	15.17	15.19	15.27	10.78	10.40	11.99	13.19
State of Oregon												
American Indian/Alaskan Native	22.07	27.97	36.93	40.40	34.37	39.97	32.39	38.56	31.89	23.80	19.47	32.56
Asian or Pacific Islander	12.41	12.36	15.08	14.25	13.49	13.39	16.32	15.44	11.28	12.18	12.71	13.52
Black	21.35	17.56	30.67	32.22	29.98	31.39	30.07	33.49	28.41	21.66	25.33	27.94
Hispanic	25.69	27.33	36.35	35.64	34.09	36.68	35.64	30.78	22.03	22.03	25.13	29.91
White	14.85	15.27	21.00	22.37	22.43	23.84	25.04	21.45	13.99	13.10	14.09	19.09
Other	36.60	18.71	26.20	44.06	28.02	43.74	38.72	37.90	21.92	14.72	16.59	31.21
Total	15.66	15.96	21.51	23.57	23.78	25.77	26.23	25.15	17.23	14.62	15.39	20.76

Denial rates for minority groups, which peaked between 1999 and 2001, are still much higher than denial rates seen in 1993 in Clackamas County. While such high denial rates for some minorities do not conclusively prove that there may be problems in the lending markets, these statistics are of concern.

Table IV.17, below, shows national data for home loan denials by race. Due to the sheer volume of information, data from just the years 2002 and 2003 were selected. In terms of racial categories, American Indians/Pacific Islanders had the highest denial rates during that two year period, at an average rate of 22.72 percent. This was followed closely by blacks at 22.14 percent and Hispanics at 17.27 percent.

TABLE IV.17

**HOME MORTGAGE DISCLOSURE ACT DATA
LOAN ACTION TAKEN ON OWNER OCCUPIED HOME LOAN APPLICATIONS: U.S. 2002 & 2003**

Race	Loan Originated		Loan Denied		Average Denial Rate	
	2002	2003	2002	2003	2002	2003
American Indian/Alaskan Native	18,752	17,850	6,553	7,375	20.66	22.72
Asian or Pacific Islander	206,909	240,407	28,070	39,823	9.68	11.37
Black	291,491	334,658	115,992	132,309	22.65	22.14
Hispanic	449,893	528,529	113,945	146,288	16.26	17.27
White	3,341,732	3,717,880	494,278	568,801	10.98	11.22
Other	68,810	65,893	11,477	16,464	11.44	15.49
Total	5,095,857	5,554,203	997,583	1,088,498	13.48	13.39

These national figures correspond to the data from Clackamas County as to which racial groups experience the highest rates of denial for home loans. The figures also compare similarly to those from Multnomah and Washington counties, as well as statewide. Clearly, higher loan denial rates for blacks, American Indians/Pacific Islanders and Hispanics are not merely a county-wide issue, but are part of a much larger, nationwide trend.

The opposite trend in denial rates was seen with Asian Americans. This group had the lowest rate of denial nationally for any racial group, including whites, at a rate of 9.68 percent. The same was found to be true in Clackamas County, as well as Multnomah and Washington counties, and statewide. This would seem to indicate that loan denial is not necessarily rooted in a loan applicant's race, but perhaps due to other reasons.

At the state and county level, the data was further analyzed based on why the loans were denied. Table IV.18, on the following page, presents loan denial reasons, segmented by race and ethnicity for Clackamas County and the state of Oregon. While close to half of the records do not have a denial reason entered in the file because the data is not required, poor credit was the primary reason listed for loan denial both in Clackamas County and statewide. This was followed closely by an overload of debt. This implies a need for additional homebuyer education, particularly as it relates to the operation of the credit markets.

TABLE IV.18

**HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL REASONS BY RACE: CLACKAMAS COUNTY, AND STATE OF OREGON: 1993 THROUGH 2003**

Denial Reason	Native American	Asian	Black	Hispanic	White	Other	Not Provided	Not Available	Total
Clackamas County									
Debt-to-income Ratio	18	73	20	65	1,802	21	188	.	2,187
Employment History	2	9	3	10	214	1	18	1	258
Credit History	22	54	24	112	2,096	39	350	4	2,701
Collateral	5	9	10	16	531	8	62	.	641
Insufficient Cash	4	8	4	9	235	2	26	.	288
Unverifiable Information	3	9	2	8	185	2	21	.	230
Credit Application Incomplete	2	17	2	21	481	6	86	.	615
Mortgage Insurance Denied	.	1	.	2	13	.	1	.	17
Other	12	38	18	43	1,006	15	164	4	1,300
Missing Reason	71	63	59	250	5,572	141	1,044	13	7,213
Total	139	281	142	536	12,135	235	1,960	22	15,450
Percent Missing Denial Reason	51.08	22.42	41.55	46.64	45.92	60.00	53.27	59.09	46.69
State of Oregon									
Debt-to-income Ratio	173	631	252	1,026	14,335	217	1,769	12	18,415
Employment History	33	104	28	161	2,002	24	229	3	2,584
Credit History	298	504	421	1,493	17,597	440	2,994	12	23,759
Collateral	42	114	54	233	4,092	47	594	6	5,182
Insufficient Cash	19	78	31	162	1,874	30	261	0	2,455
Unverifiable Information	18	87	30	115	1,533	15	168	0	1,966
Credit Application Incomplete	33	153	63	267	4,188	43	707	5	5,459
Mortgage Insurance Denied	2	8	4	14	122	2	3	0	155
Other	86	373	155	614	7,844	160	1,249	19	10,500
Missing Reason	782	743	728	4,481	53,492	1,153	10,014	118	71,511
Total	1,486	2,795	1,766	8,566	107,079	2,131	17,988	175	141,986
Percent Missing Denial Reason	52.62	26.58	41.22	52.31	49.96	54.11	55.67	67.43	50.36

Denial rates for minority groups were further examined by level of income of the applicant. For households with incomes less than \$15,000, the average denial rate was 45.6 percent in Clackamas County. This compared to 52.7 percent statewide. While denial rates for most races cluster quite close to the average, blacks, Hispanics and American Indians/Pacific Islanders had higher denial rates. Denial rates for these minority groups included households with incomes in excess of \$75,000. These data are presented in Table IV.19, on the following page. The data suggest that underwriting practices may contribute to discrimination against minorities.

TABLE IV.19
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES BY SELECTED INCOME CATEGORIES AND BY RACE: OREGON: 1993 THROUGH 2002

Race	Less than \$15,000	\$15,000- \$30,000	\$30,000- \$45,000	\$45,000- \$60,000	\$60,000- \$75,000	More than \$75,000	Total
Clackamas County							
American Indian/Alaskan Native	.	47.69	40.16	23.30	24.24	16.88	30.75
Asian or Pacific Islander	50.00	31.25	15.76	14.32	8.15	12.43	14.08
Black	66.67	64.00	49.23	30.26	27.27	26.67	33.18
Hispanic	71.43	51.99	28.20	21.15	17.56	20.31	28.56
White	43.18	36.18	22.39	16.22	11.75	10.18	17.40
Other	71.43	58.33	35.03	35.62	20.69	10.81	31.00
Total All Lenders	45.62	39.46	23.94	17.46	12.72	10.86	18.83
Multnomah County							
American Indian/Alaskan Native	50.00	33.11	28.40	24.49	20.97	15.63	26.42
Asian or Pacific Islander	38.89	16.42	12.74	12.13	12.83	12.47	13.58
Black	57.69	32.35	25.89	23.95	21.41	21.08	26.41
Hispanic	58.00	30.69	19.81	16.32	16.50	15.93	21.11
White	42.00	23.59	16.01	13.59	10.72	9.22	14.78
Other	55.00	35.61	24.08	17.63	20.22	15.51	23.80
Total All Lenders	42.78	25.27	17.35	14.58	11.87	10.11	16.13
Washington County							
American Indian/Alaskan Native	100.00	44.19	29.89	29.25	8.62	8.51	24.01
Asian or Pacific Islander	40.00	20.49	13.14	10.22	9.92	7.85	10.83
Black	.	30.51	27.78	19.62	16.36	15.58	20.20
Hispanic	63.64	38.94	18.74	16.15	15.76	13.09	19.90
White	37.71	26.65	15.39	11.46	8.91	7.76	12.19
Other	57.14	40.71	23.86	14.24	11.88	11.07	18.43
Total All Lenders	40.00	28.98	16.50	12.40	9.65	8.22	13.19
State of Oregon							
American Indian/Alaskan Native	61.67	46.18	33.66	26.90	20.09	15.98	32.56
Asian or Pacific Islander	41.04	20.70	14.56	12.10	10.93	10.25	13.52
Black	65.17	37.29	30.60	24.71	19.75	20.38	27.94
Hispanic	66.51	43.05	27.50	21.39	18.97	17.55	29.91
White	50.52	34.00	21.20	15.76	11.84	10.07	19.09
Other	66.41	50.77	34.57	25.51	17.95	14.15	31.21
Total All Lenders	52.71	36.51	22.92	17.02	12.81	10.80	20.76

Summary

Complaint and Compliance Review

Access to and use of the HUD housing complaint system sees little utilization in Clackamas County. The Clackamas County Community Action Agency, under contract with the Community Development Division, conducts information and referral services only. The Fair Housing Council of Oregon, with the capacity for education, outreach, testing and enforcement, conducts relatively few of these activities in Clackamas County. While sufficient capacity is available to the citizens of the county for pursuit of a fair housing complaint, and review of fair housing compliance by housing providers, cooperation and coordination of active fair housing entities in Clackamas County is limited. This lack of interagency coordination tends to hamper affirmatively furthering fair housing.

The 2005 Fair Housing Survey

The survey contacted and interviewed 70 people familiar with housing and housing-related services in Clackamas County, as well as nine follow-up interviews with county and city builders and planners. Survey findings indicate that additional education and outreach related to fair housing law and impediments to fair housing is desirable. The content of responses also implies that having a more uniform and consistent referral system for pursuing fair housing complaints would encourage a more active housing complaint process. Introducing a fair housing testing and enforcement mechanism in Clackamas County would be welcomed by the interviewees. Sentiments expressed by several interview respondents cited land use policies, whether building or zoning in application, that increase the cost of affordable housing, thus detracting from affirmatively furthering fair housing.

Home Mortgage Disclosure Act

Clackamas County has seen significant activity in the home lending market over the last 11 years, with nearly 370,000 loan applications. The denial rates for owner-occupied home loans are relatively low, just under 19 percent over the 11-year period. However, selected racial and ethnic minorities, chiefly blacks and Hispanics, have much higher denial rates than whites even when normalized for income. This may limit fair housing choice for some householders. While the absolute number of black and Hispanic minority applicants is small, the frequency of denials for these minority applicants is higher than white households. The same is true for those minority low-income householders accepting undue debt to perform home improvements. Also, while these denial rates are slightly higher than Washington and Multnomah counties, they are lower than the state of Oregon in its entirety. The state's rate is also higher than that of the nation. This higher frequency of denials for selected minority householders should be of concern.

When home improvement loans are inspected by type of lending institution, the size of the loan, and consequent debt, for extremely low-income householders is significantly higher when made by sub-prime lenders. This may place some householders at risk of losing their homes to the sub-prime lender.