

Chicago Daily Law Bulletin

Volume 158, No. 89

Experts describe how Fair Housing Act has far reach

BY PATRICIA MANSON
Law Bulletin staff writer

Once in a while, a woman complaining that she has been illegally denied mortgage insurance because she is on maternity leave seeks help from The John Marshall Law School Fair Housing Legal Support Center, F. Willis Caruso said.

But Caruso said he never saw a case like the one the U.S. Justice Department pursued in Pennsylvania.

The Justice Department announced Monday that the Mortgage Guaranty Insurance Corp. (MGIC) agreed to establish a \$511,250 fund and to pay a \$38,750 civil penalty to settle a lawsuit accusing the company of discriminating against 70 women.

The suit alleged that MGIC violated the Fair Housing Act (FHA) from 2007 to 2010 by requiring women on maternity leave — even those whose jobs were guaranteed — to return to work before they could obtain mortgage insurance.

"We've had individual cases of refusing to recognize women on maternity leave," said Caruso, a John Marshall professor and the school's housing center

co-executive director. "We have not in our clinic had a case of this magnitude."

And Caruso said he was pleased the Justice Department pursued the case.

The FHA includes provisions barring discrimination in housing and mortgage lending based on sex and familial status, Caruso said.

He said those provisions protect women from being the target of bias because they take maternity leave.

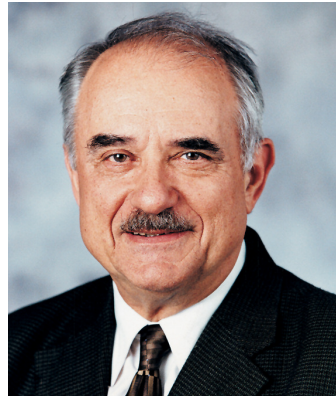
"I think it's a fairly clear violation of the Fair Housing Act," Caruso said of MGIC's alleged actions.

In a separate interview, Elizabeth Shuman-Moore of the Chicago Lawyers' Committee for Civil Rights Under Law Inc. made the same assessment.

But Shuman-Moore said allegations that mortgage insurers discriminated against women for taking maternity leave are rare.

But she said allegations that an insurers, lender or landlord discriminated against people because they have children are common.

"About 20 to 25 percent of our complaints that come in are based on familial status," said Shuman-Moore, director of the



F. Willis Caruso

committee's Fair Housing Project.

Shuman-Moore said such complaints can be based on a for-rent advertisement saying children were not welcome, a refusal to rent because a family included teenagers or harassment designed to drive tenants out of their homes.

All of these scenarios are prohibited under the familial status provision of the FHA, Shuman-Moore said.

"It's a pretty broad statute," she said.

Caruso said the FHA's breadth was demonstrated by the remedial portion of the settle-



Elizabeth Shuman-Moore

ment reached between the Justice Department and MGIC.

That portion requires MGIC to take steps to ensure that men as well as women are not denied insurance because they are taking a leave of absence or have returned from a leave of absence related to the birth, adoption or foster-care placement of a child.

"It does send a clear message that you can't treat anybody differently because of their status related to sex," Caruso said of the settlement. "It would also be true for status related to disability or families with children as well."