

Civil Rights REVIEW

January 2008 Edition

"Injustice anywhere is a threat to justice everywhere. ...Whatever affects one directly, affects all indirectly."
- Martin Luther King, Jr.

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The Civil Rights REVIEW is designed to bring new issues, statistics, accomplishments and other key information to the reader as it relates to civil rights in Pennsylvania.

ACCESS doctors are in the house

In Pennsylvania alone, almost 1.9 million residents are persons currently living with a disability. This number does not reflect the potential of other persons with a disability from the other 49 states or countries who may come to visit, work or live in Pennsylvania who may also have a disability. Remember, disability is the only protected class that anyone of us can enter at any time, without warning.

Since 1974, the Pennsylvania Human Relations Commission has had the state's enforcement of disability and accessibility coverage in the civil rights law that it enforces – the Pennsylvania Human Relations Act (PHRA). The PHRC includes public accommodations in its definition of commercial property.

Clarification of current state accessibility/disability laws is always a good thing. First, let's begin with some basic definitions.

Commercial Property

Building, structure, facility or land offered for sale or lease

Disability (for a person)

Is a physical or mental impairment which substantially limits one or more of the person's major life activities; OR has a record of an impairment; OR is regarded as having an impairment. "Disability" does **NOT** include current, illegal use of, or addiction to, a controlled substance.

(Disability) Has a Record of Such an Impairment

A history of a mental or physical impairment that substantially limits one or more life activities

(Disability) Is Regarded as Having an Impairment

1) has a physical or mental impairment that does not substantially limit major life activities but that is treated by an agency as constituting such a limitation; 2) has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairment; or 3) has none of the impairments defined above but is treated by an agency as having such an impairment.

www.phrc.state.pa.us

www.stopbias.org

www.accessdoctors.state.pa.us

Doctors

-- continued from page 1 --

(Disability) Major Life Activities

Functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working

(Disability) Physical or Mental Impairment

1) any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological, musculo-skeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine, or 2) any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

The term 'physical or mental impairment' includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction (recovering), and alcoholism.

(Disability) Substantially Limited

1) being unable to perform a major life activity that the general population can perform; or 2) being significantly restricted in the condition, manner or duration of that performance as compared to the general population. Factors to consider are the nature, severity, duration, and impact of the impairment

Housing Accommodation

Any building, structure, mobile home or facility, which is used as the home residence or sleeping

Consult the ACCESS doctors



Sponsored by the PA Human Relations Commission, the Access Doctors give you the tools you need to create an accessible home or public building.

place of one or more individuals, groups or families whether or not living

independently of each other; and any vacant land offered for sale, lease or held for the purpose of constructing or locating any building, structure, mobile home site or facility. "Housing accommodation" does not include any personal residence offered for rent by the owner or lessee who resides there, or by his or her broker, salesperson, agent or employee.

Public Accommodation

Any facility, accommodation, resort or amusement which is open to, accepts or solicits the patronage of the general public, including government services

Under the PHRA, it is ***unlawful*** in the state of Pennsylvania ***to construct, operate, offer for sale, lease or rent or otherwise make available housing or commercial property which is not accessible in Pennsylvania and/or to construct, operate, or otherwise make available such places of public accommodations, resort or amusement that are not accessible.***

The Commission recognized that cutting through the legal requirements of accessibility laws can

be a daunting task.

To help clarify,

the Commission developed a website that boasts the slogan: "Don't paint over your inaccessible home or public building: Consult the ACCESS doctors."

This website identifies the level of legally mandated accessibility of a building or commercial property in the Commonwealth. It is designed for use by architects, builders, real estate industry personnel, building owners, developers and the general public in order to ensure voluntary compliance.

The website is a series of approximately 25 questions that require the user to input data specific to the building itself in order to determine what disability accessibility laws may or may not apply.

The site also asks for specific site-related information about the location of the property in order to determine if there are any local laws or ordinances that may apply. It is easy-to-use and takes the guesswork out of knowing what accessibility laws apply to any commercial building or property.

Doctors

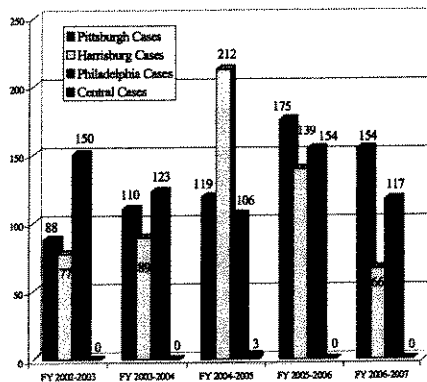
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Despite having disability as a protected class for many years, the Commission continues to see a high percentage of its cases involving a disability or lack of accessibility issue in housing, commercial property and public accommodation cases. A five-year comparison of the cases in these areas is included here.

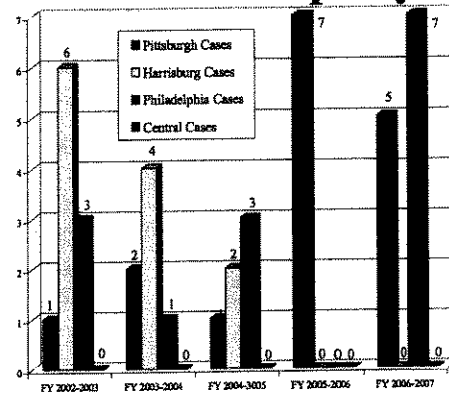
Whether you are doing an extreme make-over to an existing property or constructing a new facility, the Commission strongly encourages making a "house call" to ACCESS doctors!

Housing

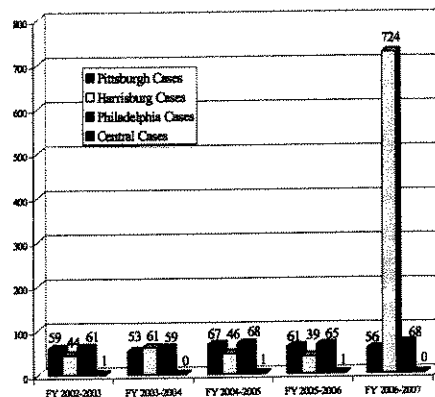
More specific disability statistics on page 4



Commercial Property



Public Accommodation



January meeting schedule

Monroe County Advisory Council

January 3, 2008 at 5:30 p.m. at the Loder building, 52 Analomink Street, East Stroudsburg

Centre County Advisory Council

January 9, 2008 at 7:30 p.m. at the State College Borough Municipal Building, South Allen Street, Room 242, State College

Montgomery County Advisory Council

January 10, 2008 at 10 a.m. at the Norristown Borough Hall, 235 E. Airy Street, Norristown

Johnstown Advisory Council

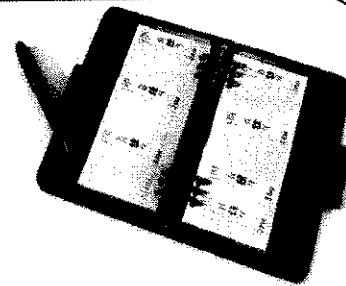
January 14, 2008 at noon at the Johnstown School District Administration Building, 1091 Broad Street, Johnstown

Inter-Agency Task Force on Civil Tension

January 17, 2008 at 10:30 a.m. at the PA Human Relations Commission Central Office, Keystone Conference Room, 2nd Floor, 301 Chestnut Street, Harrisburg.

MONTHLY COMMISSION MEETING

Monday, January 28, 2008 at 1 p.m. at the Philadelphia Marriott Downtown, 1201 Market Street, Philadelphia



York County Advisory Council

January 16, 2008 at 4:30 p.m. at the York City Human Relations Commission, 368 West Princess Street, York

Blair County Advisory Council

January 29, 2008 at 12:00 noon at King's Restaurant, 3000 6th Avenue, Altoona

Northampton County Advisory Council

January 30, 2008 at 7 p.m. at Easton Area Neighborhood Center, 902 Philadelphia Road, Easton

Doctors

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The disability statistics at the right detail the past five years of cases docketed with the Commission across the state. During this time period, the number of cases involving disability-based issues has increased each year, dipping slightly last fiscal year. The totals are:

FY 02-03: 154 cases
 FY 03-04: 155 cases
 FY 04-05: 165 cases
 FY 05-06: 179 cases
 FY 06-07: 173 cases

Key

PGH: Pittsburgh Regional Office
 HBG: Harrisburg Regional Office
 PHL: Philadelphia Regional Office
 CO: Central Office (in Harrisburg)
 CP: Commercial Property
 PA: Public Accommodation
 Has (a disability)
 Regarded as (disabled)
 Has record (of a disability)
 Related to (a person with a disability)
 G/S: guide or support (animal)

Fiscal Year 2002-2003						
Jurisdiction	Protected Class	PGH	HBG	PHL	CO	Total
CP	Has	1	2			3
	Regarded as		1			1
Housing	Has	20	23	34		77
	Has record	2	4			6
	Regarded as		1			1
	Related to	5		1		6
	Trainer,G/S Animal		2			2
PA	Has	20	9	21		50
	Regarded as			3		3
	Record of			1		1
	Related to	1	2			3
	G/S Animal Use		1			1
Fiscal Year 2003-2004						
CP	Has	2				2
	Record of	2				2
	Related to		2			2
Housing	Has	33	19	26		78
	Record of	2	10	4		16
	Regarded as	2	2			4
	Related to	1		2		3
	Related to, Record of	1				1
	G/S Animal Use			5		5
PA	Has	12	15	12		39
	Related to			1		1
	G/S Animal Use		2			2
Fiscal Year 2004-2005						
Housing	Has	30	33	32		95
	Record of	2	8	1		11
	Regarded as			2		2
	Related to			2		2
	G/S Animal Use		2			2
PA	Has	27	11	12	1	51
	Related to	2				2
Fiscal Year 2005-2006						
CP	Has	3				3
Housing	Has	46	22	41	2	111
	Regarded as			1		1
	Related to	4	5	3		12
	G/S Animal Use	1	1			2
PA	Has	13	13	15	2	43
	Regarded as			1		1
	Related to	3				3
	Trainer,G/S Animal			1		1
	G/S Animal Use	1	1			2
Fiscal Year 2006-2007						
CP	Has	5				5
Housing	Has	38	20	43		101
	Regarded as	2				2
	Related to		2	2		4
PA	Has	19	12	22		53
	Regarded as		3	2		5
	Trainer,G/S Animal			1		1
	G/S Animal Use		1	1		2

Making the Grade

Today's Lesson: Don't let a bad loan hang you out to dry

Let's face it. When you're trying to settle on a house and figure out the money needed to get that house, the talk of points, mortgages, interest rates, APR or PMI can make your head spin.

It can be complicated. It can be confusing. And unfortunately, it can be catastrophic if you are an unsuspecting, potential homebuyer and are dealing with a dishonest lending institution.

It's called predatory lending. But what does it mean?

A predatory loan is any loan where the borrower's expenses cannot be justified on the basis of the lender's risk and cost. Predatory loans are more easily described by their features than by a specific, legal definition.

The reason for charging one loan customer a higher cost (fees and interest) for a home loan than another customer is to compensate for the different levels of risk, based upon the borrowers' credit profiles. High-interest, high-fee loans are referred to as subprime mortgages. The lenders who specialize in this niche market are called subprime lenders.

Subprime loans **may or may not** be predatory loans. It depends on their terms and on how and why they are offered to particular borrowers. **Loans become predatory when they are based on race, ethnicity or other protected class status and are violations of the Pennsylvania Human Relations Act (PHRA).** Proving predatory lending requires examining borrower loan documents and conducting interviews to determine if there

has been a violation of consumer laws.

Most banks and lending institutions do not participate in predatory lending. However, some do. And that is why you must be aware of the signs to avoid predatory lending.

"Alice"

Alice was 71 years old. She received a phone call from a mortgage broker, who promised her that he would refinance her two existing mortgages, provide her with \$5,000 in extra cash and lower her monthly payments. Alice needed cash to repair her kitchen, so she agreed to meet. The broker visited Alice at her home. Alice recalls that she began to trust the man because he claimed he liked her as a person and he wanted to help senior citizens because his own father had recently died of cancer.

A few days later, the broker came back to Alice's house to have her sign the mortgage loan papers. Alice said she told the broker she could not read the documents carefully because she suffers from vision problems and has a limited education. At the broker's promises and encouragement that the mortgage loan would provide her with cash to repair her kitchen and lower her monthly mortgage payments, Alice signed the papers.

Hung out to dry?

Alice received a \$90,100 mortgage with an APR of 14.819%. The mortgage loan contained a 15-year balloon note that required a final payment of \$79,722.61 – due when she was 86 years old. Alice paid 10% of



the loan amount or \$9,100 as a broker's fee. The monthly payment increased to approximately 80% of her monthly income. Alice never received any money to do the necessary repairs on her kitchen.

Alice experienced the:

- Use of *bait and switch* tactics to defraud the borrower
- Use of balloon payments that require refinancing
- Structuring loans that the borrower cannot afford
- A broker who took advantage of an older minority, two of the most frequently victimized groups of predatory lenders
- Aggressive solicitation of residents of low-income and minority neighborhoods, which may be underserved by conventional lenders
- Excessive fees

The Commission considers the issue of predatory lending to be of significant concern in Pennsylvania. The right to equal access to housing without regard to sex, age, race, familial status, etc. is a fundamental right within the Commonwealth.

If you are currently being targeted or think you have been targeted because of your sex, race, age, familial status, color, religion, ancestry, disability, or national origin, the Commission wants to hear from you. Our mission is to eliminate predatory lending practices in Pennsylvania.

Making the Grade

Today's Lesson: Don't let a bad loan hang you out to dry

You need to contact the regional offices of the PA Human Relations Commission to file a complaint.

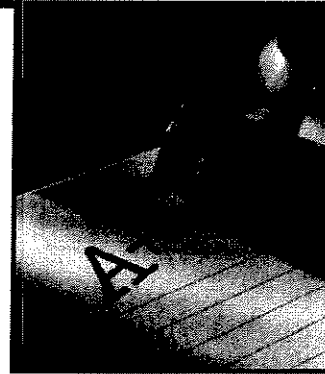
If you live in the 23 adjoining counties in western PA, you need to contact the Pittsburgh Regional Office at (412) 565.2798 or (TT) (412) 565.5711.

If you live in the 39 adjoining counties in central and northeastern PA, you need to contact the Harrisburg Regional

Office at (717) 772.2485 or TT (717) 787.7279.

If you live in the five adjoining southeastern counties in PA, you need to contact the Philadelphia Regional Office at (215) 560.2496 or TT (215) 560.3599.

For more details and warning signs about predatory lending, the PA Human Relations Commission has a booklet on its



website entitled "Predatory Loan: Don't let a bad loan hang you out to dry." The booklet can be found at www.phrc.state.pa.us under the orange PUBLICATIONS button, click on "Other Publications" to read the booklet.

Potential Warning Signs of Predatory Lending

During the Sales Process

- Purposely structuring loans with payments the borrower cannot afford
- Falsifying loan applications (particularly regarding income level)
- Making loans to mentally incapacitated homeowners
- Forging signatures on loan documents (i.e. required disclosures)
- Paying off lower income mortgages
- Shifting unsecured debt into mortgages
- Loans in excess of 100% LTV (Loan-to-Value)

Conditions of the Loan Itself

- High annual interest rates
- High points or padded closing costs
- Balloon payments
- Inflated appraisal costs
- Bogus broker fees
- Required credit insurance

After the Closing Process

- Flipping (repeated refinancing, often after high-pressure sales)
- Daily interest when loan payments are late
- Abusive collection practices

Worksheet for Fees and Points Calculations

1. What is the total loan amount?

A Total Loan Amount \$ _____

2. What are the fees that you are being asked to pay with this loan?

Administration Fee	\$ _____
Application Fee	\$ _____
Broker Fee	\$ _____
Document Preparation Fee	\$ _____
Funding Fee	\$ _____
Loan Discount Fee	\$ _____
Loan Processing Fee	\$ _____
Origination Fee	\$ _____
Other Lender Fees	\$ _____
Review/Appraisal Fee	\$ _____
Underwriting Fee	\$ _____
Warehouse Fee	\$ _____
B Total of All Fees	\$ _____

To calculate the percentage of the loan that goes to the fees you are being asked to pay, divide the total amount of fees (B) by the total loan amount (A).

_____ ÷ _____ = _____
B A

The total cost of your loan should vary only slightly from one lender to another. If you have decent credit and have enough income to cover your loan, your total fees should not exceed 2% of the loan. Your total fees even might be substantially lower than 2% depending on the lender and/or loan program you are using.

- Excessive prepayment penalties
- Foreclosure abuses