

South Bend Human Rights Commission

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July 2014

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HUD SETTLES DISCRIMINATION CLAIM AGAINST CALIFORNIA MORTGAGE LENDER ALLEGING IT DENIED LOANS TO WOMEN ON MATERNITY LEAVE

The U.S. Department of Housing and Urban Development (HUD) announced that an Irvine, CA based mortgage lender Greenlight Financial Services will pay \$48,000 to settle allegations that it violated the Fair Housing Act when it denied or delayed mortgage loans to women because they were on maternity leave.

The Fair Housing Act makes it unlawful to discriminate in the terms, conditions, or privileges associated with the sale or rental of a dwelling on the basis of sex, including denying a mortgage loan or mortgage insurance because a woman is pregnant or on family leave.

The Conciliation Agreement resolves a complaint that a married couple filed with HUD alleging that Greenlight Financial Services, now called GFS Capital Holdings, denied their application to refinance their home mortgage because the wife was on maternity leave. HUD's investigation found that Greenlight Financial Services also allegedly denied four other applicants who were on maternity leave, or delayed their applications until after the women returned to work.

"The fact that an applicant is on maternity leave alone is not a valid basis for denying or delaying a refinance loan," said Bryan Greene, HUD's General Deputy Assistant Secretary for Fair Housing and Equal Opportunity. "HUD will continue to enforce fair housing laws to ensure that no otherwise qualified applicant is illegally denied the home financing they need only because they take maternity, paternity or parental leave."

Under the terms of the agreement, Greenlight Financial Services will pay \$20,000 to the couple that filed the complaint, and \$7,000 to each of the other four applicants HUD identified during its investigation. The company will also provide annual fair lending training to employees and management staff should the lender resume its mortgage operation, a service it no longer provides.

Pregnancy Discrimination

Pregnancy discrimination involves treating a woman (an applicant or employee) unfavorably because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth.

The Pregnancy Discrimination Act (PDA) forbids discrimination based on pregnancy when it comes to any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, fringe benefits, such as leave and health insurance, and any other term or condition of employment.

If a woman is temporarily unable to perform her job due to a medical condition related to pregnancy or childbirth, the employer or other covered entity must treat her in the same way as it treats any other temporarily disabled employee. For example, the employer may have to provide light duty, alternative assignments, disability leave, or unpaid leave to pregnant employees if it does so for other temporarily disabled employees.

Additionally, impairments resulting from pregnancy (for example, gestational diabetes or preeclampsia, a condition characterized by pregnancy-induced hypertension and protein in the urine) may be disabilities under the Americans with Disabilities Act (ADA). An employer may have to provide a reasonable accommodation (such as leave or modifications that enable an employee to perform her job) for a disability related to pregnancy, absent undue hardship (significant difficulty or expense). The ADA Amendments Act of 2008 makes it much easier to show that a medical condition is a covered disability.

It is unlawful to harass a woman because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth. Harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted). The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

Under the PDA, an employer that allows temporarily disabled employees to take disability leave or leave without pay, must allow an employee who is temporarily disabled due to pregnancy to do the same.

An employer may not single out pregnancy-related conditions for special procedures to determine an employee's ability to work. However, if an employer requires its employees to submit a doctor's statement concerning their ability to work before granting leave or paying sick benefits, the employer may require employees affected by pregnancy-related conditions to submit such statements.

Human Rights Awareness Day Award Winners

On Friday, April 25, 2014, the South Bend Human Rights Commission and the administrations of the Cities of South Bend and Mishawaka once again sponsored a Human Rights Luncheon and Workshop. Verge 'Brother Sage' Gilliam received the Human Rights Service Award and Catherine M. Pittman, PH.D. received the Education Award.

Washington High School Senior Brenda Regalado won a \$2000 scholarship for her essay on the topic, 'How can the media help to advance the cause of human rights?'
