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An Examination of Crime Perception and Arkansas Fair Housing

Cover Page Footnote

David Montague, Shannon Rynders, Jennifer Bearden, and Jennifer M. Miller are all members of the Department of Justice, University of Arkansas at Little Rock. Carol Johnson is a member of the Arkansas Fair Housing Commission, and Emily Blank is in the Department of Economics at Howard University. The research team thanks the Arkansas Fair Housing Commission for their leadership in encouraging this study. We also appreciate the significant assistance and access provided by the Arkansas Appraisal License and Certification Board in opening their public files for review. The team appreciates the sincere support of the stakeholders who participated in the 2013 Arkansas State Fair Housing Conference in Little Rock, Arkansas. These individuals helped our team to consider current implications of our work.

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An Examination of Crime Perceptions and Arkansas Fair Housing

This study results from several years of research related to fair housing issues. by a research team comprised of several relevant stakeholders. The research team, comprised of several relevant stakeholders, includes faculty and students from the University of Arkansas at Little Rock, the director of the Arkansas Fair Housing Commission, and an Arkansas real estate appraiser. The work which inspired this research team was completed on mortgage lending practices in the Washington, D.C. area during the 1990s, which focused on both large and small banks.[1] This earlier research included an examination of the Fair Isaac Model, the details of which are a closely kept secret within the housing industry. This model's cryptic process and the impact on credit scores as output from it, as well as concerns over what goes into the application procedure, generally became key areas for additional research.

In 2006, meetings were held housing stakeholders in Arkansas over Fair Housing Act compliance. The aim was to identify what possible gaps in the literature exist with respect to fair housing in Arkansas. One gap found as a result of these meetings was that there were no studies examining whether crime levels in neighborhoods impacted the appraisal of houses located there. Apparently, stakeholders in the mortgage process differed in opinions of the appropriateness of using crime statistics as a factor in the appraisal process[2]; thus, the specific focus of this study was born.

Allegations of fair housing violations, both nationally and within Arkansas, persist today, despite decades of efforts. These efforts include significant funding, education around, and enforcement of fair housing guidelines. Though redlining or stipulating areas for which loans will not be granted is no longer common place, many reports of "steering" involve real estate professionals (i.e. without the knowledge of potential buyers) intentionally[3] failing to show certain properties to potential buyers, even though the potential buyers have requested to see such properties.[4] In the post-Second World War era, many historically disenfranchised groups, such as minority groups, were unable to participate within some housing assistance programs due to the reality of segregation. Efforts nationally have provided education on the history of discriminatory barriers in fair housing and have provided assistance to aid many groups, including people with disabilities, low-income people, and the elderly to obtain housing.

Funding aimed at helping people navigate the myriad of regulatory guidelines and complexities of the mortgage have helped address this problem to some degree. Though education and assistance with obtaining housing are always needed, one area in which a serious gap still exists is the enforcement of fair housing guidelines. Given the psychological legacy of discriminatory efforts and volume of housing venues in existence nationally, it is difficult to appropriately cover all the housing needs even with the influence and authority at both the federal and state levels.[5] The true extent of housing discrimination in Arkansas is not known, but it is clear that minority groups and the disabled are in need of additional enforcement efforts to identify possible housing discrimination. In the past, private enforcement initiatives have focused on central Arkansas.[6] Since then, Arkansas began experiencing exponential growth within several major geographic areas. However, areas not experiencing such growth are still vulnerable. Therefore, a fair housing private enforcement initiative effort is needed statewide, covering the four quadrants and central Arkansas.

It is important to consider the findings of the U.S. Department of Housing and Urban Development (HUD), published in their *2005 Annual Report on Fair Housing*.[7] Nationally, more complaints were received regarding discrimination based on disability than based on race. Research completed in Chicago mentioned within this HUD report found complaints of negative treatment of the disabled accounted for 49.5 percent of discriminatory practices. Examples of "negative treatment" refers to refusals to answer questions, hanging up on the potential renter/buyer, rental unit officials refusing to make reasonable modifications to units, or housing officials refusing to make reasonable parking space accommodations for individuals with wheelchairs. Though the number of racially discriminatory complaints found by HUD was lower than that for disabled, research in this report indicated that one out of five minority applicants received negative treatment during the housing process. The use of "paired testing," that is comparing discrimination based on racial criteria as was shown within this report, is a useful tool to identify possible discrimination.

This same report documents that 25.7 percent of TTY users (hearing impaired) received negative treatment in terms of refusal to answer questions and hanging up on them. In 16 percent of cases uncovered, rental unit officials refused those asking to make reasonable modifications to units. Twenty percent of housing officials refused to make reasonable parking space accommodations for individuals with wheelchairs. In 2005, the Secretary of HUD issued a letter to housing officials nationally based on indicators that hurricane evacuees were unfairly denied housing. To this end, the reality of Hurricane Katrina (and Hurricane Rita) evacuees and the response of HUD to address their problems mandated the need for concerned groups to renew interest in private enforcement of fair housing.

Discrimination based on race and/or national origin was systemic nationally (largely due to the legacy of restrictive covenants) and was clearly seen in how neighborhoods in Arkansas were still largely segregated. Discrimination based on age impacted the growing demographic of senior citizens within Arkansas; primarily based on senior citizens either relocating to retire in Arkansas (known as "The Natural State"), or the inability of low-income senior citizens in

Arkansas to move from their homes based on a growing state economy. Finally, discrimination impacting evacuees from Hurricane Katrina effected many states neighboring Louisiana, as evacuees might not have been able to obtain housing. It was noted that many evacuees had limited funds and fell within the previous three categories of race, age, or disabled, therefore it was reasonable to presume that enforcement needs to be investigated.

Review of the Literature

Since the rubrics of the Fair Issac Model are trade secrets, we do not completely understand how lenders make decisions about the credit-worthiness of borrowers.[8] Conversations among relevant stakeholders have largely been vague about the notion of quantifying crime with respect to fair housing. Many scholarly works and government reports have attempted to address this general issue. However, there is a dearth of literature with respect to works directly addressing home appraisal reports. This literature review simply provides some thematic understanding in order to set the stage for researching appraisal reports with respect to descriptors of crime.

In a 1992 landmark study on fair housing in the "post-redlining" era, it was found that "crime" seemed to be the primary variable associated with rejections received by home buyer applicants.[9] This was important in the sense that even after the legal barriers associated with exclusion from home buying opportunities based on zip codes were officially removed, the issues associated with where potential buyers might be moving from, played a role.

In 1988, a study was produced providing understanding that many of the allegations of redlining in Atlanta and all over the country had very little accurate evidence.[10] While subtle forms of discrimination were difficult to detect, Benston speculated that the best way to obtain useful information on the matter was to interview people who had unsuccessfully attempted to buy a home. Other studies compared prices charged for loans, but this approach did not explain why mortgages banks denied some applicants. That study concluded that there is no hard evidence that supported the existence of discrimination, at least at the level perceived from the number of complaints and allegations.

Blank and Montague's 1999 study utilized qualitative field research in order to examine practices exhibited by mortgage lending institutions in the Washington, DC metropolitan area.[11] Their fieldwork specifically examined the responses of local and national lending institutions with respect to their efforts to address current disparities stemming from historical discrimination. Larger corporate lenders were found to be more supportive of minority lending due to clear-cut policies and procedures common to sizable corporate infrastructures. The national institutions clearly made more significant efforts to reach the local communities. This work was later expanded into a more significant study.[12]

Folbre and the Center for Popular Economics provided a contextualized connection between poverty and lack of appropriate societal access.[13] Overall, the role of politics in maintaining the status quo required empowering some by disenfranchising others (even subtly); in this case, the historically disenfranchised. For example, one study found that the Australian Federation of AIDS Organizations (AFAO) accused the Commonwealth Bank of discrimination against loan applicants who are infected with a virus; ergo, medical discrimination in that case.[14] Another study revealed that some racial barriers have been a speed bump on the road to residential integration.[15] More specifically, this work discussed the processes to end minority segregation and discussed discrimination and racial steering, also called "redlining" which is an act committed by mortgage lenders that persuades particular groups of people to buy houses in certain areas.

In 1998, Hill and Montague asserted that efforts to address the challenges associated with educating blighted communities on the extent and solutions to fair housing issues produced mixed reactions from various stakeholders.[16] It was clear that residents of blighted communities tend to have little or no understanding of how their communities became blighted, and what actual obstacles were in the way in terms of revitalization. Either fear of gentrification or belief that improvement was solely a government responsibility appeared to be the majority view of resident respondents. However, when engaged by the research team using a grass roots approach, support from local stakeholders was galvanized toward community awareness and clean-up campaign, indicating that positive change was possible.

In 1999, President Clinton made an announcement concerning a $6.5 billion settlement in a mortgage-lending discrimination case. Columbia National Mortgage Co. agreed to offer the money towards home mortgages and "extra effort" to help minorities and lower income families. The settlement was made after a discrimination investigation performed by HUD revealed some possible unfair housing.[17] The investigation used paired testing, which involved two undercover loan applicants, one white, and one minority, who entered the same places. The treatment of the applicants was then examined, and out of three couples, one produced a negative reaction. In the third test, the business spent more time with the white applicant then the Hispanic applicant. Columbia National denied any guilt related to discrimination, and claimed that the settlement was only a token of good faith.

In 2009, a landmark study analyzed the interconnectedness between politics and the quality of societal inclusion of racial and ethnic groups. Specifically, this work addressed the obstacles faced by minority groups as they attempt to address multifaceted problems, including housing, crime, and political access.[18] In addition to the need for educating minority groups on the issues and solutions, what became clear was that two major obstacles translated into a continuing struggle for unbiased access; influence held by power brokers and their concerns about redistribution of resources.

A 2001 study provided two examples of unfair housing towards minorities, in this case African Americans. In Anne Arundel County, the county seat of Annapolis, Maryland, two men sued Winchester Homes, claiming it violated discrimination laws and displayed biased behavior.[19] These are not the only racist incidents that have occurred in the Washington suburbs. Aside from the difference in real estate agents' attitudes toward different cultures and incomes, less subtle and more violent acts have been performed by organizations, such as the Ku Klux Klan. The plaintiffs hoped their case would be an advancement in the struggle for more equal housing.

In 2001, O'Neil detailed the Pinellas County Office of Human Right's decision to commission a discrimination study due to the amount of complaints received, averaging around fifty per year.[20] The study sent several undercover testers to seek housing, either renting an apartment or buying a home, and examined the treatment received from apartment complexes, mortgage lending institutions, and real estate businesses all over the United States. All forms of discrimination were taken into account as potential realities, including "steering" minority families to live in areas made up predominantly of minorities. The director of the study, Leon Russell, director of the Pinellas County Office of Human Rights, gave a radio interview later stating that study found two major things. First, that by using paired testing to look at rental properties it was discovered that black testers received different application forms/paperwork than white testers and that they were shown different apartments than their white counterparts. They were also quoted differing prices for what should have been the same price for the type of unit. Second, the black testers reported being asked more personal questions than the white testers.[21]

A 1997 book, titled *America in Black and White: One Nation, Indivisible*, addressed several historical disenfranchisement issues with respect to housing.[22] The majority of the data in this work focused upon the variable of race. They discussed the Kerner Commission whose purpose was to explain the large number of race riots between 1965 and 1968 by addressing the issue of residential segregation. At the time, African Americans made up barely 13 percent of the country's population, while non-Hispanic whites dominated at 73 percent. The Kerner Commission stated that the trend of Caucasians moving to the suburbs and African Americans concentrating in the inner cities would continue to grow until the country was divided into two separate societies. For example, it was predicted that the major cities in the U.S. would be mainly black within two decades. However, their hypothesis was proven incorrect, as thirty years later only a few major cities are over fifty percent African American.

In 1996, Tootell conducted a study on race and the racial composition of areas and their effect on obtaining mortgages in Boston.[23] The study included several variables in the statistical testing, most importantly the different characteristics considered by lenders. The data concluded that there was no significant evidence that mortgage lenders were redlining neighborhoods. However, there was some possible indication that lenders were discriminating against individuals and that indirect practices were occurring, such as different prices and requiring private insurance.

In 2000, Holmes completed a report on research directed towards retrieving any evidence of possible discrimination against loan applicants in America.[24] The study used the same type of methodology all over the country and was divided into two types of loans: conventional and insured. The results demonstrated that African Americans fell into the negative, meaning they had more difficulty accessing fair housing, in three regions, and a small amount of evidence that racial steering, or redlining, existed in Los Angeles, Chicago, and Atlanta.

A 1996 study examined a situation in Arkansas where people of a particular culture claimed to be forced to move because of discrimination.[25] After city inspectors demanded that New Hope Mobile Home Park in Rogers, Arkansas make necessary improvements, tenants were told they would have to leave. The residents were mainly Spanish-speaking immigrants. Even though most of them left, one tenant led a protest outside of City Hall. The mayor, John Sampier, Jr., insisted that the results of the inspection were for the good of the people living there, and that it was the decision of the trailer park to vacate the homes. In addition, one of the changes invoked was that only homes no older than five years can set up in the park.

In terms of grounding this study theoretically, as early as 1956, elite theory was cited to explain how power relations translate into social realities.[26] Elite theory asserted that those holding positions of power recognized certain advantages across the societal board were associated with such a position. This theory also asserts that no "true" sharing of power can exist and that if it did, the possibility of losing certain advantages would increase. Biases associated with this power are largely connected with politics and economics; however, most people see these two variables played-out with respect to other variables. The result, according to this theory, was a society in which all aspects of daily life, direct and indirect, supported this power structure.

Since virtually no literature existed on the subject of appraisal reports and crime, the authors of this study created the "housing descriptor theory" in order to explain such phenomena. Housing descriptor theory asserts that individuals or groups relevant to the housing industry would either intentionally or inadvertently label properties by including material they deemed relevant to the surrounding area. This basic tenet was grounded in the significant role home appraisers, mortgage lenders, realtors, and others have on the housing industry. To be sure, these stakeholders, by their very statements about a home or neighborhood, could impact perceptions (and therefore the property values) of homes and neighborhoods. These, in turn, impacted the market for homes. In essence, these stakeholders held great influence, direct and indirect, and their perceptions translated into long-term realities for homebuyers and sellers.

The authors of this study consider housing descriptor theory of importance in understanding the sordid history of housing discrimination, especially as it impacts society currently via behavior such as "steering." The telltale signs of this reality were seen with respect to residential and commercial properties and property development. The potential implications of this theory rest in current realities of steering, stemming from notorious redlining of the past. Indicators showed that steering potential buyers limited the options he/she might have if the relevant stakeholders relegated the buyer into categories of what the stakeholder deemed appropriate, rather than what the buyer deemed appropriate.

Methods

This study employed one general question to address this question, *"Do perceptions of neighborhoods with respect to crime exist within appraisal reports?"* Based on this general question, two theories were deemed the most relevant to help clarify this issue, and three research questions were developed for examination. This study asserted that *descriptors of crime would be found within appraisal reports in Arkansas and they would be "vague" and "inconsistent."* This hypothesis was grounded in the earlier mentioned theories, in that those having power or influence over fair housing allows certain stakeholders to make value judgments about stakeholders associated with fair housing. Since some carrying such influence might not have been aware as to how they potentially bias the system of fair housing, this hypothesis was tested with three central research questions.

The first research question was: *Do the appraisal reports written within the state of Arkansas contain explicit descriptors of crime?* This question essentially sought to address the common statements by many in the housing industry and many researchers with respect to whether actual descriptions of crime exist within these reports.[27] The second research question asked was: *Is it legal for appraisal reports in the state of Arkansas to carry descriptors for crime?* This question was directly linked to the first research question in that the findings on that question would drastically impact the implications of appraisal reports in Arkansas. The third research question asked was: *Will different stakeholders connected to appraisal reports, that are appraisers, police, and mortgage lenders, have the same understanding about crime?* This research question was the most important for this study in that if there are potentially different views among stakeholders as to the understanding of "crime" and how to identify it, then potentially serious bias might have been at work within Arkansas.

The Database

This study utilized both primary and secondary data. Access to secondary data was obtained via several meetings with the chief investigator of the Arkansas Appraisal License and Certification Board (AALCB) and review of records held at the AALCB. These data were collected via use of the Freedom of Information Act (FOIA) in order to gain access to data held at the AALCB and conduct interviews at AALCB.

The yearly "AR [Arkansas] Investigator's Report" summarizes AALCB complaints over each year. This document provided the research team the means to understand the disposition of each individual case, of which there were approximately 150. The most extensive secondary data though, rested in the official appraiser complaint data, which were reviewed for two reasons. First, they provided verification checks against the AR Investigator's Report. Second, to gain more comprehensive understanding on the nuances within typical cases, the research team completed several visits to the AALCB over a few months in order to understand the recordkeeping system of the AALCB, and how the complaint files might specifically identify crime within them. This was done by analyzing any terminology referring to neighborhood crime.

Primary data was gathered in the form of interviews, which served as an invaluable portion of this study's effort to understand the role of Arkansas appraisal reports with respect to crime. Toward this end, three categories of respondents were interviewed: police, appraisers, and mortgage lenders. A total of four interviews were completed during the data collection phase, and the research instrument for this study was peer-reviewed with three professionals; one for each category. Interviewees representing Little Rock, Arkansas and central Arkansas included a Little Rock Police Officer, a mortgage lender, a certified appraiser, and an investigator at the AALCB was interviewed. The process of administering the interviews took two months and required visits to numerous parts of Central Arkansas.

The instrument was a questionnaire which used demographic grounding in order to establish the validity of responses to the questions addressing the primary and central questions of this study. The majority of questions were structured as semi-focused questions in order to allow for some elaboration from respondents. The average interview time was nineteen minutes. Demographic data ranged from how respondents identified themselves (i.e. race/ethnicity), to political affiliation, to current occupation (including length within the profession), and education (including any significant professional training).[28]

Analysis and Findings

Since this study was descriptive and qualitative in nature, data collected were placed within a data collection grid, and then analyzed using the established technique of "pattern-matching."[29] By using this technique, similarities and dissimilarities with respect to primary data from the respondents could be managed effectively. Additionally, secondary data could help fill-in where any gaps in data might have existed. Finally, by using the analysis grid, reliability of those data were maintained. The pie chart below illustrates the total number of questions answered.

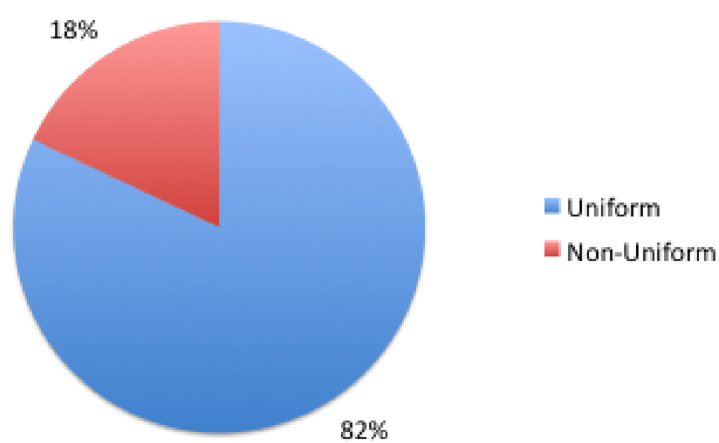
While reviewing the data that was gathered via interviews with the relevant stake holders there were some startling inconsistencies. As to the general knowledge of what an appraiser report was for the interviewee's had similar answers that any reasonable layperson would expect. However, when probed about any other specific details of what explicit or implicitly should or should not be included within an appraiser's report, all the interviewees had non-uniform answers. When asked, "How is the issue of 'crime' addressed within an appraiser report?" the mortgage lender conveyed that she did not see how crime affected an appraisal report and that if property was lower-priced, it was usually in a bad neighborhood. Therefore, all of the property that was appraised at a low value was a "secret code" for bad residential neighborhoods. Thus, the issue of crime was assumed but there was no basis for the assumption.

When this same question was asked of appraisers, the answers contradicted each other. One appraiser thought that crime should be reported and that the lender had the right to know. Although, the mortgage lender thought that the narrative on crime is not needed and felt that is was unnecessary for the lending purposes. That same appraiser believed that explicit or implicit narratives on crime should be allowed if the appraiser can cite references for their statements. A different appraiser and a police officer had similar thoughts about crime and that it should not be addressed within appraiser reports either explicitly or implicitly. With these answers having such a wide difference of opinion there was definitely a breakdown in communication between the stakeholders regarding the perceptions of crime and their application or use in an appraisers report.

As the questionnaire administrator probed further, more alarming different opinions about the perceptions of crime were found between the key stakeholders in the lending process. Some of the answers were vague and others were outright surprising. Such as answers given to the question, "If you were in charge of fair housing guidelines, what do you think would be ideal to help protect fair housing interest while simultaneously providing needed appraiser information?" The answers given by the appraisers and the mortgage lender were contradictory. One appraiser simply stated, "I do not know and have no answer for this question." To this research team, the lack of an answer to this question implied the appraiser either did not fully understand fair housing or had no interest in this subject; although one team member suggested this answer might indicate a fear of opening the company to litigation. Yet, as a professional in this field, an appraiser should have some type of opinion either negative or positive about fair housing. Also, the lack of opinion by the interviewee could mean a lack of concern of how an appraiser applied his or her methods in formulating appraisal reports. A statement by a mortgage lender was that "fair housing is not anything that she deals with and that her job only deals with the credit aspect, therefore it does not apply to anything she does." Considering that previous discrimination was mostly at the hands of mortgage lenders, and "crime" being the main reason for rejected homebuyer applicants, the lenders answer led the researcher to believe that there were still discriminatory practices in use.

In regard to the issue of defining what constituted a "high crime" area, the answers were a mix of specific crimes to vague answers. A mortgage lender's reply to the question was that she was unaware of what constituted high crime and did not know what crimes would be considered. However, one appraiser described that all crimes were high crimes and that a high crime area was one with a large number of calls for police service to one area. Although without a clear definition of "crime" that all of the stakeholders agreed on there was not a uniform understanding between the individuals questioned. Essentially, unqualified people were using their perceptions of what crime was and how it was interpreted to their individual standards and Figure 1 denotes these responses indicating whether or not the perceptions were similar or not.

Figure 1.: Uniform & Non-Uniform Responses



The main problem with these types of perceptions was that one person's view of crime was not likely to be the same as another's perception. The only interviewee questioned qualified to answer the question was the police officer, and he did not consider all crimes as high crimes. However, "hot spots" are usually defined as an area with an abundance of calls that include burglary, larceny, theft, and other crimes of this nature for an area to be considered to have high criminal activity. Even the definition of what is an "abundance of calls" was left to the decision of local police departments and appraiser, and mortgage lenders probably did not have the same understanding of a number that qualified as an abundance of calls.

The last question that the interviewee was asked was, "The primary use of methods to prevent/discourage home ownership over time has been along racial/ethnic lines. In your opinion, has HMDA or the Fair Housing Act impacted housing discrimination?" Again, the answers varied widely and were telling of how the breakdown of communication between the relevant stakeholders in fair housing were through not understanding their role in ensuring everyone received equal opportunity. A mortgage lender simply replied there had been no impact, which was a straight answer to a serious question. Therefore, the application of the Fair Housing Act and the use of HMDA data could not ensure equality in home buying and selling when a major player in the lending process did not think it has helped. An appraiser conveyed it has helped, but the application needed to be more rigid. While another appraiser thought that the Fair Housing Act has been an improvement for the lending process. A police officer, who was one of the least familiar with Fair Housing and HMDA data, thought it had helped to a small degree.

This research team asserted that this study's answers were just the tip of what loop holes in the lending process have not yet been identified. Appraisers might have been using the issue of a “high crime” area to steer or deter potential buyers from certain areas. At the same time, “high crime” might have been a known code word for “minority neighborhood,” which was the same as identifying an area by stereotypes.

Conclusion

Arkansas has had a significant problem with respect to appraisal reports and indicators of crime within those reports. This research completed between the Criminal Justice Department at the University of Arkansas at Little Rock and the Arkansas Fair Housing Commission, identified a significant lack of consensus with respect to descriptions of crime within appraisal reports reviewed. The impact of this study had implications toward sales, rentals, and mortgage lending within the entire state of Arkansas; it also illustrates perpetuated stereotypes about specific groups of people.

A larger issue based on this significant finding, was that of housing policy. Specifically, the reality this research team identified was the fact that since making descriptions about crime within appraisal reports in Arkansas was not against the law, there still existed the lack of mandate for a uniform process in which crime could be addressed in said reports. During a presentation by the research team of these findings at a statewide housing summit, summit participant responses were mixed. While some participants asserted the mention of crime within an appraisal report was not a problem, many participants asserted such mention was not appropriate. The application of elite theory was appropriate in that it enabled this study to understand the reality of power relations in terms of the stakeholders involved. The application of housing descriptor theory was appropriate in that it enabled this study to understand the nuances of realties specific to power relations specifically focused on housing discrimination; in this case, appraisal reports. The conclusion of this research team is that if it is legal for descriptions of crime to be placed within Arkansas appraisal reports, then to not have a uniform process for what guides the person contributing such material to an appraisal report could only open the door for significant bias. Clearly, this study's ability to find evidence within open-source investigative records of housing professionals making criminological judgments without appropriate basis for those judgments indicates that more open discussion about why this culture of acceptance exists and how it is harmful. This bias could be addressed by using a uniform set of statistics (e.g. The Arkansas State Police or The Arkansas Crime Information Center) and a uniform source for housing professionals to obtain crime statistics for housing purposes (e.g. The Arkansas Fair Housing Commission).[30] A final thought from this study is that based on a state legislative study on the demographic realities of Arkansas for the last decade, Arkansas is predicted to have trending in almost all areas, e.g. technology, education, and health, which mirror realities for other states in this country.[31] This means that with housing being one of the cornerstones of stability in this country, this study supports the need for greater attention from various relevant stakeholders, the media, and scholars to the reality of fair housing is needed in order to encourage productive societal discussion and ameliorative change via informed policy.

Endnotes

[1] Helen F. Ladd, "Evidence on Discrimination in Mortgage Lending," *The Journal of Economic Perspectives*, Vol. 12, No. 2 (Spring, 1998), 41-62.

[2] In the mortgage lending research conducted in the 1990s, the common response among respondents was that comments related to crime are neither appropriate nor allowed (via law or regulation) within the mortgage process, or to include appraisal reports. It is important to note that this presumption was opined by the majority of respondents.

[3] Dmittri Mehlhorn, A Requiem for Blockbusting: Law, Economics, and Race-Based Real Estate Speculation, 67 *Fordham L. Rev*. 1145 (1998).

[4] Aaron Yelowitz, Frank Scott, and Jason Beck, *The Market for Real Estate Brokerage Services in Low- And High-Income Neighborhoods: A 6 City Study*, Munich Personal RePEc Archive. MPRA Paper No. 41052. (September 4, 2012).

[5] Arkansas is no different from other parts of the country in that historical realities influence rental, sales, and mortgage discrimination according to numerous studies and comments of housing experts at the state and federal levels.

[6] Private enforcement initiatives are programs out of HUD, which are designed to test for discriminatory practices in fair housing implemented via grants to various states.
[7] Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development, *The State of Fair Housing: FY 2005 Annual Report on Fair Housing* (2005).
[8]The Fair Isaac Model is the proprietary rating system used within the housing industry to help rate potential homebuyers once an application is initiated. This model has served as perceived barrier to many over the years, based largely on how the rating process is not available to the general public. The justification provided by those in control of this model have asserted for years that it is purely based on economics and that the release of the specific nuances might serve to provide easy copying of the model by competitors - similar to arguments over the release of patented processes. Those opposed to this stance on protecting the secrecy of the model assert that it makes it difficult for potential buyers to understand what is actually measured within the process and how to position themselves to improve their chances of rating higher; similar to someone being given a test and not given an understanding of what the test covers (in order to study).
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[18] Michael C. LeMay, *The Perennial Struggle: Race, Ethnicity, and Minority Group Politics in the United States* (Upper Saddle River: Prentice Hall, 2000), 296-300.
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[20] Deborah O’Neil, “County, Cities Look for Bias in Housing,” *St. Petersburg Times*, (Thursday, May 17, 2001), Largo Times Section, 1.
[21] “Survey of Housing Discrimination in Pinellas County,” Radio Interview on WMNF 88.5 FM (10/15/02). http://www.wmnf.org/mobile/news_stories/225.
[22] Stephan Thernstrom and Abigail Thernstrom, A. *America in Black and White: One Nation, Indivisible* (New York: Simon and Schuster Publishing, 1997), 203-7.
[23] Geoffrey M. B. Tootell, "Redlining in Boston: Do Mortgage Lenders Discriminate against Neighborhoods?" *The Quarterly Journal of Economics*, 111(1996): 1049-79.
[24] Andrew Holmes, "Neighborhood Racial Composition and Mortgage Redlining: A Nationwide Analysis," *Journal of Real Estate Portfolio Management*, (2000).
[25] Mark Minton, "City Crackdown On Trailer Park Riles Hispanics, Leader Plans City Hall Protest, Says Order's Hurting Immigrants," *Arkansas Democrat-Gazette*, (Wednesday, October 30, 1996), 1B.
[26] C Wright Mills, *The Power Elite,* (Oxford, Oxford University Press, 1956).
[27] It is noted that when one of the members of this research team completed fair housing research years ago in a different region of the country, the general understanding among housing industry stakeholders interviewed was that descriptions of crime within appraisal reports could neither be explicitly or implicitly provided.
[28] Since details about responses relating to the primary and central research questions are provided within the analysis portion of this study, they will not be detailed within this section.
[29] Robert K. Yin, *Case Study Research: Design and Methods*. 2nd ed, (Newbury Park, California: Sage Publications, 1995).

[30] A Memorandum of Understanding (MOU) is an agreement between two or more organizations in which, in an effort to attain goals, addressing their organization's mission, parameters are spelled-out to state what activities and responsibilities will be completed by all parties.
[31] Ty Borders, Ph.D.; David R. Montague, Ph.D.; Gregory Russell, Ph.D., J.D.; Joe Schriver, Ph.D., L.C.S.W.; David Underwood, Ph.D.; Ashvin Vibhakar, Ph.D.; Other major contributors - Gregory Hamilton, Ph.D.; Terre McLendon; Vaughan Wingfield; Martha Phillips, Ph.D., M.P.H., M.B.A.; Willa Sanders, M.P.A., *Arkansas 2020: The Changing Demographics and Challenges Facing Arkansas' State Government in 2020.* Produced in 2006 for Senator Shane Broadway and the 85th General Assembly of the State of Arkansas (January 2007).