

HUD NEWS

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HUD Issues Fair Housing Act Guidance on Applications of Artificial Intelligence

Department recommends best practices to prevent discriminatory uses of artificial intelligence in tenant screening and advertising of housing and housing-related services

WASHINGTON – Today, the U.S. Department of Housing and Urban Development (HUD) released two guidance documents addressing the application of the Fair Housing Act to two areas in which the use of artificial intelligence poses particular concerns: the <u>tenant screening process</u> and its application to <u>the advertising of housing opportunities</u> through online platforms that use targeted ads. Today's announcement is in accordance with <u>President Joe Biden's Executive Order</u>, which called on HUD to provide guidance to combat discrimination enabled by automated or algorithmic tools used to make decisions about access to housing and in other real estate-related transactions.

"Under this Administration, HUD is committed to fully enforcing the Fair Housing Act and rooting out all forms of discrimination in housing," **said HUD Acting Secretary Adrianne Todman.** "Today, we have released new guidance to ensure that our partners in the private sector who utilize artificial intelligence and algorithms are aware of how the Fair Housing Act applies to these practices."

"The Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex (including gender and sexual orientation), disability, and familial status," said

Demetria McCain, Principal Deputy Assistant Secretary Fair Housing and Equal Opportunity. "Housing providers, tenant screening companies, advertisers, and online platforms should be aware that the Fair Housing Act applies to tenant screening and the advertising of housing, including when artificial intelligence and algorithms are used to perform these functions."

The tenant screening guidance describes fair housing issues created by tenant screening practices, including the increasing use of third-party screening companies to aid with tenant screening decisions and the emerging use of machine learning and artificial intelligence. The guidance also suggests best practices for fair, transparent, and non-discriminatory tenant screening policies, for both housing providers and companies that offer tenant screening services.

The Fair Housing Act prohibits both intentional housing discrimination and housing practices that have an unjustified discriminatory effect. Housing providers and tenant screening companies both have a role to play in ensuring that tenant screenings are transparent, accurate, and fair. The tenant screening guidance makes clear that use of third-party screening companies, including those that use artificial intelligence or other advanced technologies, must comply with the Fair Housing Act, and ensure that all housing applicants are given an equal opportunity to be evaluated on their own merit.

Read the tenant screening guidance <u>here</u>.

Advertisers and online platforms should be alert about the risks of deploying targeting advertisement tools for ads covered by the Fair Housing Act. Violations of the Act may occur when certain ad targeting and delivery functions unlawfully deny consumers information about housing opportunities based on the consumers' protected characteristics. Violations of the Act may also occur when ad targeting and delivery functions are used, on the basis of protected characteristics, to target vulnerable consumers for predatory products or services, display content that could discourage or deter potential consumers, or charge different amounts for delivered advertisements.

Read the guidance for use of online platforms <u>here</u>.

The release of these guidance documents follows HUD's pledge in an April 4 joint statement with other federal agencies to enforce civil rights laws as new technologies like artificial intelligence become more common. HUD's release of the tenant screening guidance also fulfils a commitment HUD made in the Biden-Harris Administration's <u>Blueprint for a Renters Bill of Rights</u>.

People who believe they are the victims of housing discrimination should contact HUD at (800) 669-9777 (voice) or (800) 927-9275 (TTY) or file a complaint here: www.hud.gov/fairhousing/fileacomplaint.

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