



OFFICE *of*
INSPECTOR GENERAL
★ ★ ★ ★
UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

Public Housing Authorities and Source of Income Discrimination

Audit Report Number: 2025-BO-0003

August 13, 2025

Highlights

Public Housing Authorities and Source of Income Discrimination | 2025-BO-0003

What We Audited and Why

We audited the U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing's (PIH) Housing Choice Voucher Program to assess public housing agencies' (PHA) controls to prevent and combat source of income discrimination. In limited circumstances, Federal law and regulations prohibit source of income discrimination in certain HUD-assisted housing. As of January 2025, 23 states and the District of Columbia had passed statewide laws prohibiting source of income discrimination by officially designating source of income as a protected class, with 16 of them explicitly prohibiting discrimination against housing choice voucher holders. Meanwhile, 152 cities/counties in 27 states have passed local ordinances which prohibit source of income discrimination, including cities and counties in 19 states without a statewide law. Our audit objective was to assess the extent to which PHAs with Housing Choice Voucher Programs in states with a statewide source of income discrimination law implemented controls to prevent and combat source of income discrimination.

What We Found

PIH has no requirement for PHAs to document source of income discrimination complaints. While PIH uses lease-up rates in overseeing PHAs, PIH does not task PHAs with investigating complaints of source of income discrimination. In the 16 states with a statewide source of income discrimination law that explicitly includes housing choice voucher holders, PHAs reported receiving few source of income discrimination complaints, and most PHAs had guidance for staff and other processes to act on such complaints. Most PHAs' policies and procedures contained detailed actions for responding to a complaint, while some PHAs only had general statements that the PHA would assist participants. Varying degrees of training and education efforts for staff, program participants, and landlords were observed at the selected PHAs, which some PHA officials believed was an effective means of preventing and combating source of income discrimination. Most PHAs did not have a method for documenting or recording the complaints they received, which PIH encourages as a way PHAs can track complaints and monitor for patterns of discrimination. PIH also encourages PHAs to (1) work with landlords to resolve complaints and (2) inform voucher holders of their right to file a complaint with the appropriate local fair housing organization if complaints are not resolved.

What We Recommend

The report contains no recommendations.

Table of Contents

Background and Objective	1
Results of Audit	3
Public Housing Authorities and Source of Income Discrimination	3
Scope and Methodology	7
Appendixes	9
Appendix A – Survey Questions	9
Appendix B – States and Localities	11

Background and Objective

HUD's Office of Public and Indian Housing is responsible for overseeing the Housing Choice Voucher Program (Section 8), as well as other public housing programs, to provide "decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities." The Housing Choice Voucher Program, administered by public housing agencies (PHA), provides Federal assistance to eligible participants toward rent costs while allowing participants the freedom to choose any housing that meets the program requirements, not just subsidized housing projects. Once selected to receive a voucher, participants must find a suitable unit, which the owner agrees to rent under the conditions of the Housing Choice Voucher Program. The housing subsidy is paid to the landlord directly by the PHAs, and participants are responsible for paying the difference.


There are approximately 3,300 PHAs throughout the country, with approximately 2,000 of them administering the Housing Choice Voucher Program. PHAs are responsible for screening potential participants for eligibility and approving their receipt of a voucher, inspecting units for suitability (decent, safe, and sanitary), and entering into a payment contract with the landlord upon acceptance into the program.

Source of income discrimination is the refusal to rent, lease, or show for rent or lease housing based on an individual's receipt or use of public housing assistance, disability assistance, Social Security, veterans' benefits, or any other form of governmental assistance, benefit, or subsidy. With regard to the Housing Choice Voucher program, this type of discrimination can result in an obstacle to securing affordable housing for many low-income, often marginalized, individuals – even after having been approved to receive a voucher. Furthermore, source of income discrimination may result in voucher holders being limited in their ability to secure housing in their preferred neighborhood and instead, being limited to housing opportunities in more disadvantaged neighborhoods.

While source of income is not an expressly protected attribute under the Fair Housing Act¹, states or localities are not precluded by Federal law from expanding discrimination protections to explicitly include a person's source of income, such as a housing choice voucher. No HUD housing choice voucher regulations within 24 CFR 982 are intended to pre-empt the operation of state or local laws prohibiting discrimination against voucher holders. Additionally, at the Federal level, a limited number of statutes and regulations prohibit landlords from refusing to lease to voucher holders. For example, such restrictions apply to certain properties supported under the HOME Investment Partnership Program, Low-Income Housing Tax Credit, and subsidized multifamily properties purchased from HUD.

In 1971, Massachusetts was the first state in the nation to pass a statewide law prohibiting discrimination against individuals or families receiving public assistance of rental subsidies. Since then, the following 14 states and the District of Columbia have also passed laws prohibiting discrimination based on an individual's use of a housing choice voucher as a source of income: California, Colorado, Connecticut, Hawaii, Illinois, Maryland, North Dakota, New Jersey, Oregon, Rhode Island, Utah, Virginia, Vermont, and the State of Washington. The language of each state's law varies with regard to its full list of sources of income. At a minimum, each state's law includes housing choice vouchers or government assistance as protected sources of income and prohibits refusal to rent a dwelling unit to a person due to that person's

¹ The Fair Housing Act prohibits discrimination in housing on the basis of race, color, national origin, religion, sex, familial status, and disability.



payment, in whole or in part, being through a housing choice voucher. Though not applicable statewide, a total of 152 cities/counties in 27 states had local ordinances which prohibited source of income discrimination by including federal, state, or local public assistance program payments as lawful sources of income. Of the 27 states, 19 had no statewide source of income discrimination protections. See Appendix B for a full list of the states and cities/counties.

Our audit objective was to assess the extent to which PHAs with Housing Choice Voucher Programs implemented controls to prevent and combat source of income discrimination.

Results of Audit

Public Housing Authorities and Source of Income Discrimination

In addition to PIH creating a source of income discrimination website, most PHAs had policies or procedures for responding to source of income discrimination complaints, and most trained or educated their employees, participants, and landlords on source of income discrimination and their state's or locality's relevant law(s). PHAs we interviewed and surveyed reported receiving few complaints, and most did not have a method of documenting or recording the complaints they received. PIH encourages documenting or recording complaints as a way PHAs can track complaints and monitor for patterns of discrimination. PIH also encourages PHAs to (1) work with landlords to resolve complaints and (2) inform voucher holders of their right to file a complaint with the appropriate local fair housing organization if complaints are not resolved.

HUD Published a Website on Source of Income Discrimination Protections for PHAs, Housing Choice Voucher Program Participants, and Landlords

In March 2024, PIH published a public website that provides information on how PHAs can protect Housing Choice Voucher Program participants from source of income discrimination. The website also provides information and resources for participants and landlords. The website states that PHAs can assist voucher families as follows:

- Providing information on source of income discrimination during Housing Choice Voucher Program briefings.
- Actively working with landlords to resolve an issue before issuing a fair housing referral when informed of a source of income discrimination by a voucher holder.
- Educating landlords on local and state source of income discrimination laws and improving relationships with current or potential landlords.
- Creating internal processes to track complaints and monitor for patterns of discrimination. PHAs may work with local or state fair housing organizations for possible fair housing discrimination testing.

Based on our interviews with staff from the largest PHA in each of the 16 states with a statewide source of income discrimination law, only 6 PHAs were aware of HUD's source of income discrimination website at the time of the interview. During our interviews, we provided the website address to the 10 PHAs that were unaware of the website.

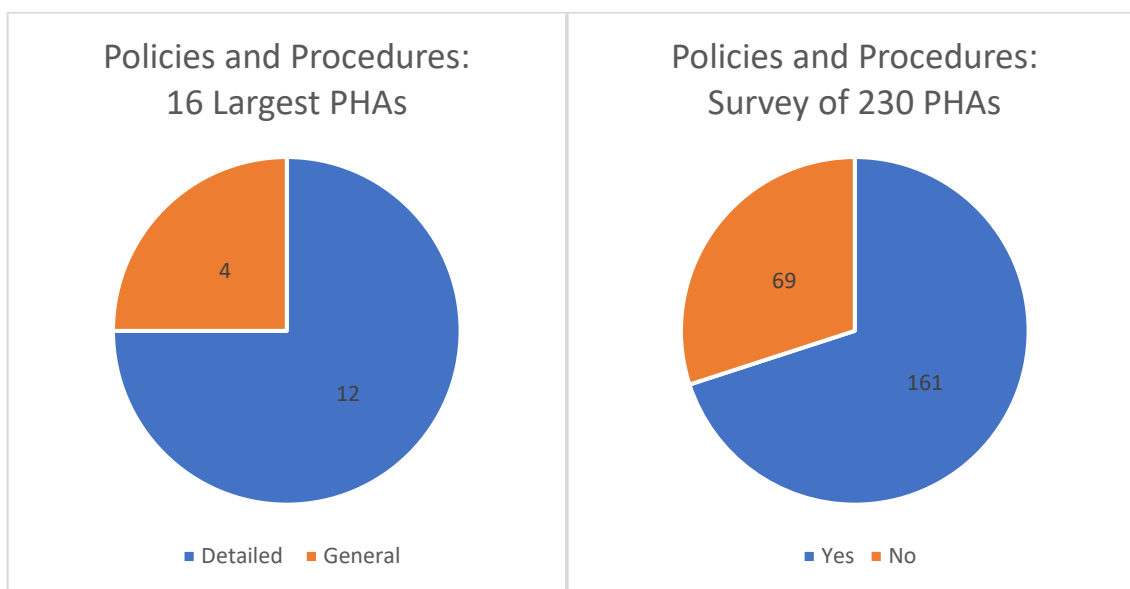
PHAs Had Policies and Procedures for Responding to Source of Income Discrimination Complaints

The administrative plans of most of the largest PHAs in the 16 states with statewide source of income discrimination laws included policies and procedures that indicated what the PHA was required to do, including what specific actions the PHA would take when participants alleged that they had been discriminated against due to their source of income. Additionally, an online survey was sent to 620 PHAs (in the 16 States with a source of income law prohibiting discrimination against housing choice voucher holders), and 230 responses were received.

For example, most administrative plans included:

- a policy requiring the PHA to provide participants with information about how to file a formal complaint with HUD or local enforcement agencies; and
- a list of laws, rules, and regulations governing fair housing that the PHA would comply with.

The following graphics represent the policies and procedures observed, and reported to be, in the PHA's administrative plans related to discrimination. In states with a statewide source of income discrimination law, claims of illegal discrimination would include those alleging discrimination due to the participant's use of a housing choice voucher.



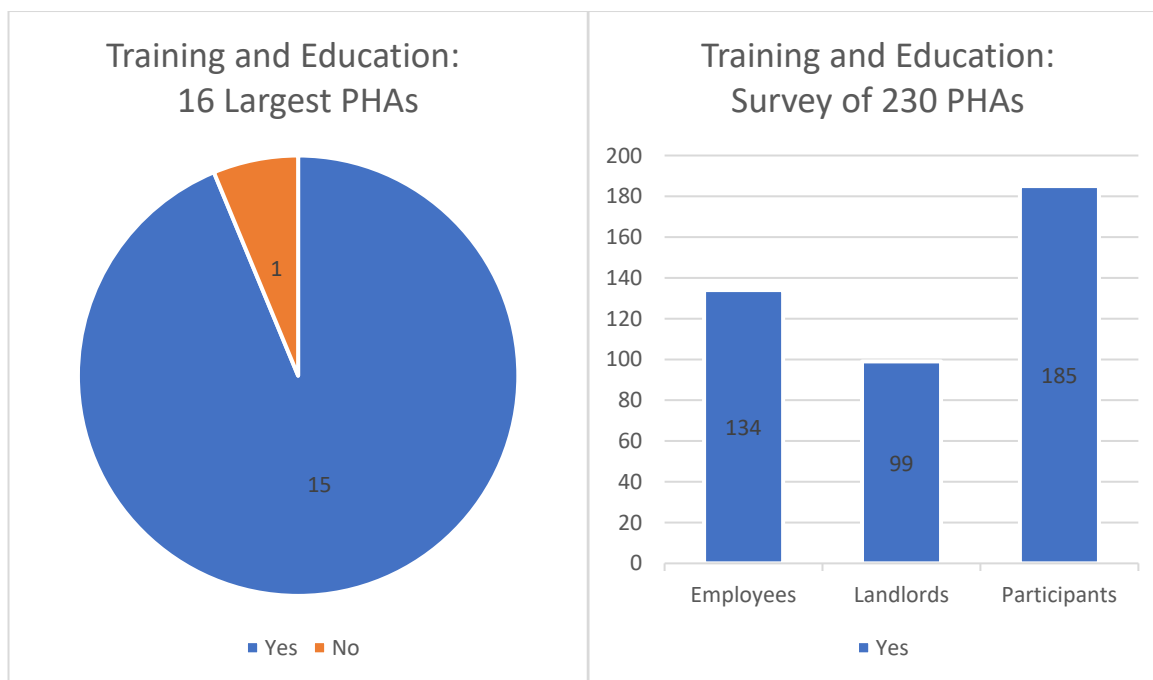
The survey question asked if the PHA had guidelines for source of income discrimination complaints. See Appendix A for the list of all survey questions.

PHAs Had Varying Degrees of Training and Education Efforts

According to PHA staff and officials, training and education are some of the most effective tools PHAs have to prevent and combat source of income discrimination. With the administrative requirements and standards for PHAs varying from one state to the next due to state- or local-level legislation, the training and education efforts in place at each of the PHAs in the 16 states differed in type and frequency as well. Examples of training materials included:

- an infographic indicating source of income as being a protected attribute;
- a comprehensive overview of the state's specific housing laws, what constitutes "source of income," and the penalties for violating the law; and
- tips for landlords and resources for participants.

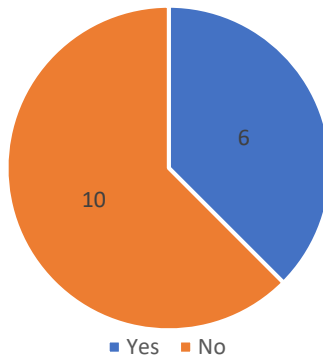
Staff and officials from some PHAs interviewed stated that they had not received training specific to source of income but rather, the Fair Housing Act in general. Varying degrees of information were provided to both voucher holders and landlords through brochures, new participant briefing presentations and landlord outreach sessions, and frequently asked questions flyers posted on site or available on the PHA's website (see figure below).



Some PHAs Documented Source of Income Discrimination Complaints

PHAs are not currently required to document source of income discrimination complaints received from Housing Choice Voucher Program participants. However, PIH encourages PHAs to maintain complaint data which is an effective way to identify trends patterns of discrimination against program participants. The graphic below represents the number of PHAs that document source of income discrimination complaints.

Documenting Complaints:
16 Largest PHAs



Staff at all 16 PHAs stated that they had not received any facially cognizable complaints of source of income discrimination in the past year. During our interviews, PHAs mentioned that the few complaints they received alleging source of income discrimination were not instances of explicit discrimination but, rather, disqualification due to other lawful factors, such as low credit score, income or deposit requirements, background checks, or minimum income requirements. PHAs generally are not responsible for conducting the assessment or investigation of complaints of discrimination, which is when issues such as landlords masking discrimination can be identified. PIH encourages PHAs to work with landlords to resolve the complaints. If the complaints are unresolved, PIH encourages PHAs to refer complainants to file a complaint with the appropriate local fair housing organization.

Recommendations

The report contains no recommendations.

Management Response

On July 21, 2025, we provided HUD with a draft audit report for review and comment. On August 11, 2025, the Acting Deputy Assistant Secretary for Public Housing and Voucher Programs informed us that HUD elected not to provide formal comments to the draft audit report.

Scope and Methodology

We performed our audit off-site from our offices in Boston, MA, and Philadelphia, PA, from March through October 2024. The audit covered the period January 1 through December 31, 2023.

To accomplish our objective, we

- Reviewed applicable laws, regulations, and notices relating to source of income discrimination.
- Reviewed HUD's Office of Policy Development and Research's prior reports relating to source of income discrimination.
- Reviewed HUD's website on source of income discrimination for the Housing Choice Voucher Program. The website serves as a "one-stop shop" for HUD stakeholders and offers tools to reduce source of income discrimination.
- Identified 16 of 24 states and the District of Columbia with a statewide source of income discrimination law that included housing choice vouchers as of January 2025 and identified the largest PHAs in each of those states and the District of Columbia based on Housing Choice Voucher Program funding. Of the 24, we excluded 8 states from this audit. Specifically, we excluded (1) New York due to ongoing litigation, (2) Oklahoma because its source of income discrimination law only applies in conjunction with other protected classes, (3) Texas because its source of income discrimination law only applies to homeowners associations, (4) Wisconsin because its source of income discrimination law does not cover housing choice vouchers, (5) Delaware due to limited administrative procedures regarding the Housing Choice Voucher Program, (6) Iowa due to an amendment to the state law in 2021 that allowed landlords to turn away applicants who receive public assistance, (7) Maine due to a Maine Supreme Judicial Court decision that not accepting the program's required lease form is not discrimination against the voucher holder's status, and (8) Minnesota because the Appellate Court held that participation in the program is voluntary and this can refuse renting to Housing Choice Voucher Program recipients.
- Met with individuals from the National Association of Housing and Redevelopment Officials, National Fair Housing Alliance, and HUD's Office of Fair Housing and Equal Opportunity to obtain their insights into PHAs' responding to source of income discrimination and feedback on the interview and survey questions used during the audit.
- Using Microsoft Forms, surveyed 620 PHAs in the 16 states with a statewide source of income discrimination law. We received 230 complete responses, resulting in a response rate of 37 percent. Four responses were received from PHAs that do not administer the Housing Choice Voucher Program. Those surveys ended after the PHAs answered "No" to the first question. Please see appendix A for the survey questions.
- Interviewed staff of the 16 largest PHAs responsible for the administration and oversight of the Housing Choice Voucher Program. We used open-ended questions similar to the closed-ended survey questions in appendix A. We reviewed the administrative plans in effect during the audit period for the 16 PHAs. Those states were

1. California	9. North Dakota
2. Colorado	10. New Jersey
3. Connecticut	11. Oregon
4. Washington, D.C.	12. Rhode Island
5. Hawaii	13. Utah
6. Illinois	14. Virginia
7. Massachusetts	15. Vermont
8. Maryland	16. Washington

- Reviewed examples of employee, participant, and landlord training and education efforts provided by the 16 PHAs interviewed.


To achieve our objective, we did not rely on data from information systems. We reviewed documentation provided by PHAs and obtained testimonial evidence to assess the controls implemented by each PHA.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendixes

Appendix A – Survey Questions

1. Does your Public Housing Agency administer the Housing Choice Voucher (Section 8) program?
2. Is it illegal in your state to discriminate by refusing tenants rental housing opportunities because they receive vouchers as rental assistance payment through the HCV [Housing Choice Voucher] program?
3. Is your PHA aware of SOI [source of income] discrimination housing laws enacted in your state or locality for Section 8 voucher holders?
4. Does your PHA's administrative plan mention - under fair housing - that you fully comply with federal, state, and local laws?
5. Does your administrative plan include the enacted SOI discrimination state and/or local laws for voucher holders?
6. Does your PHA have guidelines for handling SOI discrimination complaints? (Handling only, not enforcement)
7. Does your PHA provide SOI discrimination training for its employees to understand the SOI state and/or local protection laws for Section 8 voucher holders?
8. Does your PHA educate Section 8 voucher holders about SOI discrimination laws and how to file a complaint?
9. Does your PHA provide state and/or local housing SOI discrimination education - against federal Housing Choice Voucher participants - to landlords?
10. How many HCV program participant SOI discrimination housing complaints has your PHA received in the last year? (Handling only, not enforcement)
11. Does your PHA know where to send HCV program participants that experienced SOI discrimination when a landlord refused to rent or lease housing based upon their source of income being a Section 8 voucher? (Handling only, not enforcement)
12. Does your PHA list or refer Section 8 voucher holder SOI discrimination housing complaints to state or local agencies that process them?
13. Please indicate what action your PHA takes regarding SOI discrimination housing complaints.
14. Does your PHA partner with any state and/or local government agencies or outside organizations that currently provide SOI discrimination services - for Section 8 voucher holders that were refused housing based on income - for available programs, funding, or incentives?
15. Please indicate the agencies your PHA partners with that currently provide SOI discrimination services.

- 
16. Do agencies that your PHA is partners with provide funding to your PHA for SOI discrimination training and/or outreach?
 17. How has the adoption of state or local SOI laws - that ban housing discrimination based on a voucher holder's source of income - affected your PHA's voucher utilization rate?
 18. Please provide any comments you may have related to your PHA's awareness, involvement, or experience with SOI discrimination.

Appendix B – States and Localities

	States with Locality Law	Number of Cities/Counties
1	AZ*	3
2	CA	19
3	CO	2
4	DE*	1
5	FL*	10
6	GA*	1
7	IA*	3
8	ID*	1
9	IL	7
10	KS*	1
11	KY*	2
12	MA	4
13	MD	9
14	ME	1
15	MI*	16
16	MN*	1
17	MO*	5
18	NC*	4
19	NM*	4
20	NY*	10
21	OH*	22
22	PA*	3
23	RI	1
24	TN*	1
25	TX*	2
26	WA	12
27	WI*	7
	Totals	152

* : Denotes that the state's law is not applicable statewide.