Rental Applicants Using Housing Vouchers Settle Ground-Breaking Discrimination Class Action Against SafeRent Solutions

Pending Final Approval, Precedent-Setting Injunctive Relief Achieved.

BOSTON, MA – On April 25, 2024, the Honorable Angel Kelley for the United States District Court of Massachusetts allowed a $2.275 million settlement on behalf of Massachusetts housing voucher recipients to move forward, certifying the settlement classes and directing notice to be sent to class members. The Court will hold a final approval hearing in November. The settlement, if finally approved, will resolve a lawsuit against SafeRent Solutions, a national tenant screening provider formerly known as CoreLogic Rental Property Solutions, claiming that SafeRent's algorithmic tenant screening program (the "SafeRent Score") disproportionately harmed housing voucher recipients, including Black and Hispanic individuals, under Massachusetts law protecting individuals based on their source of income and race. In July 2023, the Court denied SafeRent's motion to dismiss the Plaintiffs' Fair Housing Act (FHA) and Massachusetts Discrimination Law claims.

The pending settlement provides for significant injunctive relief to tenant applicants who rely on vouchers and may be subjected to SafeRent tenant screening. It would require a more robust evaluation of prospective housing voucher tenants' eligibility for housing based on their full record rather than relying on a score derived though an algorithm. If SafeRent develops another tenant screening score it wishes to use after five years, it would have to be validated by an independent third-party organization agreed to by the Plaintiffs. This injunctive relief would establish precedent for the tenant screening industry.

- A link to the **March 28 settlement agreement** can be accessed [here](#).
- A link to the **April 25 preliminary settlement approval order** can be accessed [here](#).

"On behalf of housing voucher holders in Massachusetts, we are very pleased with this outcome," stated **Todd Kaplan** at **Greater Boston Legal Services.** "It gives Massachusetts rental applicants who have been unfairly subjected to SafeRent's tenant screening algorithm immediate relief and it should protect voucher holders from any future discriminatory assessment."

"Federal and state housing voucher programs were established to give recipients, who are disproportionately Black and Hispanic renters, more choice in where they live. The changes SafeRent has agreed to make are key to ensuring the original intention of the nation's voucher programs, helping to erase historic discrimination in the housing markets," said **Brian Corman,** a partner at **Cohen Milstein,** who leads the firm's fair housing litigation efforts and helped negotiate the settlement.

One of the central claims in the lawsuit was that SafeRent's algorithm did not consider the financial benefits of housing vouchers in assigning SafeRent Scores. Specifically, when a housing

voucher is used, on average over 73% of the monthly rental payment is paid by public housing authorities directly to housing providers.

"This is a precedent-setting settlement, a case of first impression for the home rental and property management industries given the pervasive use of algorithms in assessing tenant worthiness," stated **Christine E. Webber,** co-chair of **Cohen Milstein's Civil Rights & Employment practice.** "Decision-making algorithms, such as the ones at issue here, are often opaque. Vendors who develop these algorithms are not willing to disclose all the data they consider or how the data is weighted in score modeling. This is gravely concerning to fair housing, employment, and civil rights advocates as potentially discriminatory bias can be easily coded into automated decision-making platforms. The ability to hold such vendors accountable is essential for full enforcement of the civil rights laws."

On January 9, 2023, the U.S. Department of Justice and the U.S. Department of Housing and Urban Development filed a [statement of interest](#) in this case to ensure "the correct interpretation and application of the FHA's pleading standard for disparate impact claims, including where the use of algorithms may perpetuate housing discrimination."

"The use of algorithms to evaluate housing eligibility must be scrutinized to ensure that individuals and families are not improperly denied opportunities to access housing or subject to discrimination. There is no evidence that credit scores are predictive of tenants' ability to pay rent and there is even less justification to rely on them in this case where government-backed vouchers pay a substantial majority of the rent each month," said **Shennan Kavanagh, Director** of **Litigation** at the **National Consumer Law Center.**

In addition to certifying the class action for settlement purposes, the preliminary settlement approval also appoints the plaintiffs Mary Louis and Monica Douglas as Settlement Class Representatives and Greater Boston Legal Services, Cohen Milstein Sellers & Toll PLLC, and the National Consumer Law Center as Settlement Class Counsel.

This is the second artificial intelligence or algorithm-based FHA discrimination lawsuit Cohen Milstein has brought against SafeRent Solutions, which previously operated as CoreLogic Rental Property Solutions. Cohen Milstein is currently litigating *Connecticut Fair Housing Center, et al. v. CoreLogic Rental Property Solutions,* Case No. 3:18-cv-00705 (D. Conn.), in partnership with Connecticut Fair Housing Center and the National Housing Law Project. On November 24, 2023, the U.S. Department of Justice filed an amicus brief with the Second Circuit on behalf of the plaintiffs in that case.

###

About Cohen Milstein Sellers & Toll PLLC
Cohen Milstein Sellers & Toll PLLC, a premier U.S. plaintiffs' law firm, with over 100 attorneys across eight offices, champions the causes of real people—workers, consumers, small business owners, investors, and whistleblowers—working to deliver corporate reforms and fair markets for the common good. We have litigated landmark civil rights and employment disputes before the highest courts in the nation and continue to actively shape civil rights and employment law in the United States. For more information, please visit https://www.cohenmilstein.com.

About Greater Boston Legal Services
Greater Boston Legal Services helps more than 10,000 low-income families and individuals solve their civil (non-criminal) legal problems. We represent our clients in court, at appeals, in

hearings before administrative law judges, and with advice and paperwork, both as individuals and through partnerships with community organizations. We have a special focus on "impact litigation." For more information, please visit: www.gbls.org.

National Consumer Law Center
Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitive practices, help financially stressed families build and retain wealth, and advance economic fairness. For more information, please visit www.nclc.org.