



CBCF EXECUTIVE ORDER TRACKER

Restoring Equality of Opportunity and Meritocracy

Executive Order #14281

Date Issued: April 23, 2025

Topic: Civil Rights

WHAT DOES THIS EXECUTIVE ORDER DO?

- This executive order eliminates disparate impact liability in the federal government, a legal doctrine that prohibits organizations from adopting policies that would disproportionately harm marginalized groups.
- This order repeals several provisions of the [Civil Rights Act of 1964](#) and will alter the enforcement of the [Fair Housing Act](#) (FHA) and the [Equal Credit Opportunity Act](#) (ECOA). Congress originally passed the FHA and ECOA to prevent discrimination in housing and lending. The Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC), which enforce the FHA and the ECOA respectively, have used disparate impact liability to hold mortgage companies and creditors accountable when they disproportionately harm members of protected classes. Without disparate impact liability, the agencies will now have to prove malicious intent in order to punish bad faith actors, which requires a much higher burden of proof and will lead to more instances of unchecked discrimination.



HOW WILL THIS EXECUTIVE ORDER BE ENFORCED?

- This executive order will be enforced by all federal agency heads.
- The order instructs federal agency heads to send the President a list of all practices that are based on disparate impact liability and their plan to repeal them within 30 days of this order's issuance.
- The order directs the Attorney General, the Secretary of HUD, the Director of the Consumer Financial Protection Bureau, and the Chair of the FTC to examine any pending investigations or lawsuits that were filed in accordance with disparate impact liability and "take appropriate action" in service of the Administration's policy to eliminate the doctrine within 45 days of the order's issuance.
- The order also instructs the Attorney General to audit the use of disparate impact liability on the state level and determine if the states have "constitutional infirmities that warrant Federal action."
- The order tasks the Attorney General and the Chair of the Equal Employment Opportunity Commission with developing guidance on promoting equal access to federal employment for applicants who have not obtained college degrees.





HOW DOES THIS IMPACT BLACK COMMUNITIES?

- Disparate impact liability has long served as an accountability metric for federal agencies, safeguarding women, communities of color, and other protected classes from undue harm from the government and private companies. The doctrine was first established in the Civil Rights Act of 1964 to help end racial segregation and expand career and educational opportunities for Black Americans. It is a theory of discrimination where entities are liable for their policies' impact on marginalized groups, even if the policies are race neutral. It is instrumental to the enforcement of the Civil Rights Act.
- Congress passed the Fair Housing Act, also known as the Civil Rights Act of 1968, to address racial discrimination in mortgage lending and rental practices. Before the legislation became law, mortgage companies and realtors engaged in redlining, the systemic devaluation of homes in Black neighborhoods and the denial of loans and insurance coverage based on race. The location of one's home does not only affect one's proximity to goods and services, it also determines health outcomes and quality of education.
 - Under the FHA, HUD investigates claims of housing discrimination, and the Department of Justice is authorized to bring charges against predatory actors. Historically, the disparate impact liability framework has provided extra protection to complainants, as it allowed those intentionally harmed, as well as those who suffered due to systemic bias, to seek justice. The elimination of disparate impact liability restricts federal agencies from investigating and prosecuting non-governmental entities that discriminate against protected classes.
 - While Black homeownership grew 20% from 1950 to 1970, the rate has since stagnated. Forty-one percent of Black people owned their own homes in 1970 compared to 44% in 2021. In contrast, 73.3% of non-Hispanic white people owned a home in 2023. Because of this executive order, HUD may not consider racial disparities in any of its policies or fully examine the impacts of housing discrimination on Black Americans.



HOW DOES THIS IMPACT BLACK COMMUNITIES?

- This order also impacts the ECOA, which Congress established in 1974 to prohibit discrimination in credit lending. The legislation prohibits creditors from using race, gender, marital status, religion, national origin, or participation in welfare programs to determine loan eligibility, and requires loan servicers and credit card companies to provide explanations when they deny applicants. The FTC, which oversees the enforcement of this law, had used disparate impact liability to investigate cases where creditors disadvantage specific groups of people. The average credit score for Black adults is 80 points lower than the national average. Without disparate impact liability, the FTC is limited in its ability to investigate discrimination and develop policies to help Black communities grow their credit scores.

HOW ARE CBC MEMBERS RESPONDING?

- **Rep. Bobby Scott**, Congressional Black Caucus (CBC) Member and Ranking Member of the House Committee on Education and Workforce, issued the following statement on this executive order:
 - “Regrettably by eliminating the use of disparate-impact liability, Americans are now more likely to be denied ‘equality of opportunity,’ and it will be harder for Americans to succeed based ‘solely on their merit.’ This is underscored by this Administration’s dismantling of the Department of Education’s Office of Civil Rights, the very office responsible to review claims of disparate impact and intentional discrimination.” [Full Statement](#)
- In 2024, the CBC joined the Congressional Hispanic Caucus and the Congressional Asian Pacific American Caucus in writing a letter to President Biden to implement more fair housing policies. “More than 55 years after the Fair Housing Act became law, we still have not fully implemented its requirement to combat discrimination and affirmatively further fair housing. We urge the White House not to wait any longer [...] so that our country can take critical and substantial steps in fulfilling our country’s promise of fair housing access and opportunities for all.” [Full Statement](#)
- For more information on the CBC’s legacy of fighting for fair housing practices, visit [Avoice](#), our virtual library.