In its Supreme Court amicus brief in *Wells Fargo v. City of Miami* [3] and *Bank of America v. City of Miami* [4] the State and Local Legal Center (SLLC) argues that Miami, and other local governments across the country, should have “standing” to sue banks under the Fair Housing Act (FHA) for economic harm caused to local governments by discriminatory lending practices.

The City of Miami claims that Wells Fargo and Bank of America targeted black and Latino customers in the City for predatory loans that carried more risk, steeper fees, and higher costs than those offered to identically situated white customers. The City further claims the banks’ lending policies caused minority-owned property to fall into unnecessary or premature foreclosure.

The FHA makes it unlawful for banks to discriminate against mortgage recipients on the basis of race. To bring a lawsuit under the FHA the City of Miami must have “statutory standing,” in other words, “a cause of action under the statute.”

The FHA allows “aggrieved person[s]” to sue. The banks argue that in *Thompson v. North American Stainless* [5] (2011), the Supreme Court defined “aggrieved person,” under another federal statute, to require that a plaintiff fall within the zone of interests protected by the statute and have injuries proximately caused by the statutory violation. Unsurprisingly, the banks argue that the City doesn’t fall within the zone of interests protected by the FHA and that the banks’ conduct didn’t cause economic injury to the City.

The Eleventh Circuit concluded Miami had statutory standing relying on a much older case, *Trafficante v. Metropolitan Life Insurance Company* [6] (1972), where the Supreme Court stated that statutory standing under the Fair Housing Act is “as broad[] as is permitted by Article III of the Constitution.” The parties do not dispute that the City of Miami has Article III standing in this case. So if the Court agrees that only Article III standing is required to also have statutory standing, Miami has statutory standing to sue the banks.

The SLLC amicus brief [2] argues local governments should have standing to sue bank for two reasons. First, discriminatory lending diminishes a local government’s tax base. Specifically, foreclosures deprive local governments of revenue. When foreclosed properties sell, their prices are discounted by about 30 percent, reducing a local government’s tax base. Foreclosed properties also diminish the value of neighboring properties. Second, foreclosed properties are expensive. Local governments “must provide substantially more public services—and expend far more public funds—to maintain these abandoned homes.”

At least 12 other cities and counties have brought similar lawsuits against banks.

Deepak Gupta, Rachel Bloomekatz, and Matthew Spurlock of Gupta Wessler, wrote the SLLC brief, which was joined by the National Association of Counties [7], National League of Cities [8], United States Conference of Mayors [9], International City/County Management Association [10], and the International Municipal Lawyers Association [11].