

FAIR HOUSING OPPORTUNITIES

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Practicing real estate brokers and salespersons are in the forefront in terms of treating all potential buyers, sellers and renters without prejudice. With respect to fair housing, each must follow federal and state laws. Also, any licensee who is a member of the National Association of REALTORS®, must adhere to the NAR Code of Ethics as well.

Fair housing laws exist to assure equal opportunity for all individuals who desire to purchase or lease a place to live. It refers to the rental, sale, purchase, marketing or financing of real property without regard to race, color, sex, religion, disability, national origin, familial status, ancestry, age, sexual orientation, marital status and source of income.

In realty, there have always been many obstacles to overcome for people to achieve the goal of owning their own homes. For a long time, the ability of “minorities” to purchase homes, no matter how much money they had, was curtailed by the active practice of unfair housing. In the not-too-distant past deeds clearly delineated which ethnic and/or religious groups of people could not live in subdivisions and none of this was against the law. Well, times slowly began to change with the advent and enforcement of anti-discrimination laws.

What if you find yourself selling real estate in a community that you know has a history of bias against minorities? Your job is to follow as well as promote the spirit of the law. It is not your job to perpetuate discriminatory behavior. This is true whether you are listing, selling, renting or advertising real property. Let’s look at some typical situations and explore your choices.

With respect to listing property, the contract should clearly spell out the seller’s agreement to comply with fair housing laws. Any subtle or not so subtle comments on the part of the seller regarding who should or should not be permitted to purchase the property must be addressed at the onset. Point out the legal ramifications if either one of you acts in a biased manner.

IN PRACTICE: *During the listing appointment owner Elsie Brown informs broker Bob that she absolutely does not want to sell her house to any of those people and he must promise never to bring any one of them into her home.*

Bob is shocked by her blatant prejudice, but he does not want to lose the opportunity to list Mrs. Brown's \$1,500,000 home. He decides to say nothing and list the property. Besides, he assures himself, very few of those people can even afford such a home!

Right after the Brokers' Open House Mrs. Brown reminds Bob of their oral agreement regarding who may and who may not come to her house. At that point he tells her that he cannot control the people that other agents choose to show the house to. He can, however, control who does and who does not get their offer accepted. Mrs. Brown agrees to this compromise.

After two weeks of intense marketing, agent Gail Smith presents a full-price offer to the listing agent and his client. Gail's clients, two highly qualified attorneys, are not surprised when their offer is readily accepted.

Mrs. Brown is speechless when she meets the buyers during the home inspection. She immediately calls her broker and tells him that she absolutely refuses to sell her house to them. Why, they are just the sort of people she does not want in her home and neighborhood!

Broker Bob nervously tells her that the law is not on their side and she will most likely have to go through with the transaction. Not one to take no for an answer, Mrs. Brown calls in her attorney and the games begin!

At the end of the day, the seller is obligated to abide by the terms of the purchase agreement after a lengthy and costly legal battle. Broker Bob uses his commission and then some to pay his legal fees to settle his involvement.

In this particular situation, Bob should not have agreed to list the property of an individual who had no regard for following the law. Instead of attempting to educate the seller, he agreed to do his best to violate the law on her behalf.

Furthermore, agents should not take it upon themselves to determine which neighborhoods to steer buyers in their search for homes.

***IN PRACTICE:* Broker Kate calls an agent to determine the availability of a home she finds on the multiple listing. The listing broker tells her it would be a waste of time to show her clients this house. When Kate asks why, she is told that the home is located in a "minority" area and he is sure her buyers do not want to live there.**

Kate informs the listing agent that he is breaking the law as well as violating the N.A.R. Code of Ethics in trying to steer her away from this

property. He says that he is only trying to help her not waste her time. He does not get it until she files charges of discrimination against him through their local association of REALTORS®.

Discrimination is a two-edged sword and buyers sometimes try to impose their prejudicial beliefs onto you. It is important to remind these folks that you are colorblind and will not discuss and/or consider their biases in determining which houses to show them. If you find yourself with a buyer who refuses to take no for an answer, it would be prudent of you to drop that person as a client.

If you are involved in property management, equal treatment should be the guiding force when dealing with potential renters. For example, follow the exact same procedures each time you interview, show and check references and credit of a potential renter. Do not make exceptions just because you feel more “comfortable” with an individual from a particular group.

Lastly, take care not to use discriminatory language in any of your ads and flyers. Use common sense and follow HUD guidelines.