

# FAIR HOUSING LAWS

Continue to educate your clients

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April 2008 will mark the 40th Anniversary of the signing of the Fair Housing Act, as well as the nation's observance of Fair Housing Month. For REALTORS®, a dedicated understanding and adherence to fair housing law is not a "one month out of the year" endeavor. REALTORS® represent a powerful tool in the battle against housing discrimination in America. Not only are REALTORS® bound by state and federal fair housing laws, the REALTOR® Code of Ethics mandates that REALTORS® ensure that their clients and members of the public receive equal professional services at all times.

Fair Housing education and training goes a long way in your office toward highlighting diversity in the real estate industry. However, defining and promoting diversity in an appropriate manner can be a tricky and difficult task. The real estate agent that devises their own plan to subjectively promote diversity in a community creates a dangerously slippery slope that can very easily amount to housing discrimination in its own right. It is essential to take fresh stock in the notion that REALTORS® are in the business of providing equal treatment to all clients. This notion does not mean that REALTORS® have the right or duty to impose their perception of diversity upon their clients.

A subjective and loose interpretation of what diversity is and is not can lead to the very dangers that the fair housing laws are working to prevent. For instance, a potential temptation for a real estate agent is to impose their own interests and understandings upon a client when considering a home to view. Often times, such an impulse is not born out of malicious intent. Rather, the agent is merely trying to place a person or family into a house that they think would best suit the client's needs or interests. However, the basis for the agent's conclusions should never stem from preconceived stereotypes or ingrained value judgments. The idea that an agent would be doing the client a favor by jumping to a conclusion about the type of property and environment the client would be most comfortable living in is the type of scenario that would be easily corrected by taking a fresh look at the fair housing laws.

The Fair Housing Act covers the majority of housing options in the United States. According to the United States Department of Housing and Urban Development ("HUD"), it is a violation of the

Fair Housing Act for an individual to take any of the following actions based on the protected classes of race, color, national origin, religion, sex, familial status or handicap:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

REALTORS® are entrusted with a substantial amount of insight into the values and wishes of a client. The above mentioned parameters are aimed at the equal treatment of both current property owners as well as prospective home buyers. A substantial first-step towards establishing and maintaining the equal treatment of both buyers and sellers is by informing either the buyer or seller, or, in cases of dual agency, both parties, that all parties to a real estate transaction are bound by fair housing laws. As such, all parties are subject to the consequences of violating fair housing laws. Informing a client that there can be no discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin in the sale or rental of a property should be done as a matter of course throughout an agent's career. Making affirmative efforts toward educating homeowners and homebuyers on the requirements of fair housing law may seem like a burdensome practice. However, such efforts will help eliminate any uncertainty between the agent and their client about what services they are entitled to offer.

For instance, agents have faced scenarios where they have felt pressured by a buyer or seller to act in violation of fair housing laws. The client should be notified immediately that such a request

would be impossible for the agent to comply with. However, in a business where careers are made by finishing deals, there exists a temptation to try and salvage the deal in spite of the violation. This type of acquiescence is the first step in the wrong direction. It represents a significant obstacle towards the goal of fair housing here in Michigan. Additionally, it may well amount to significant consequences if reported to either HUD or the Michigan Department of Civil Rights. There are approaches, however, that may help limit any uncomfortable scenarios where a client seeks to apply discriminatory practices in the purchase, sale, or lease of a home.

When working with a buyer it is required to provide equal professional service. A REALTOR® can accomplish this by being systematic in their approach. As mentioned above, there is a temptation for an agent to believe that they know what is best for their client. This is one part admirable and two parts dangerous. The best policy for working with buyers is to solicit only objective information while allowing the customer to set the limits on the type of home they'd like view. By obtaining objective information about the client's interest, it will be far easier to provide a variety of options from which to choose from. As a protective measure, an agent should document every option provided for the client. Should the unfortunate circumstance arise where an agent is charged with housing discrimination, the agent will have a record of services

provided to offer as proof that they provided equal treatment.

When working with a seller, a REALTOR® should inform the homeowner that there are specific rights and responsibilities involved in selling or leasing property. An effective way to do this is by providing the seller with an informational brochure outlining rights and duties under fair housing law. From the MAR website ([www.mirealtors.com](http://www.mirealtors.com)) you can download or order "A REALTOR'S® Guide to Housing Opportunities". Additionally, the National Association of REALTORS® ([www.realtor.org](http://www.realtor.org)) has prepared a brochure to distribute called "What Everyone Should Know about Equal Opportunity in Housing". Even after informing the seller about fair housing requirements an agent may still feel pressure from their client to violate fair housing laws. In some instances, it may be necessary to cancel the listing agreement if the client refuses to adhere to the law.

Developing a keen understanding of the fair housing laws at both the state and federal level is the best offense and defense that a REALTOR® can employ in the handling of potential housing discrimination in a real estate transaction. Armed with the ability to recite the law to both buyers and sellers, a REALTOR® can best protect themselves from accusations of aiding housing discrimination. •

# April is Fair Housing Month

## MAR Has The Fair Housing Resources You Need

- Fair Housing Center Directory
- Fair Housing Events Calendar
- Current News & Articles
- REALTOR'S® Guide To Housing Opportunity
- MAR Fair Housing Training Kit

Visit the MAR Fair Housing Resource Center:  
[www.mirealtors.com/members/fairhousing.html](http://www.mirealtors.com/members/fairhousing.html)