

MAILBAG – SOURCE OF INCOME

Hello, Michigan Realtors® and welcome back to From the Mailbag. As many of you know, the Michigan legislature recently expanded the Elliot-Larsen Civil Rights Act to include “source of income” as a protected classification. We’ve received numerous questions from Realtors® about this change and how it will affect property management in the State of Michigan. Today we’ll tackle some of those questions, so join us as we dive into some questions from the mailbag.

Question 1: Does this new legislation mean that landlords can no longer use screening criteria such as credit checks and criminal background checks?

Answer 1: No. Property owners can still deny an applicant based on other screening criteria so long as that screening criteria is applied equally and consistently to all renters.

Question 2: Does this law apply residential sales or commercial leasing?

Answer 2: No. This change only impacts residential rental properties. Remember though that residential landlords who own less than 5 rental units are exempt from these new requirements.

Question 3: If I own fewer than 5 rental units, can I still opt into Section 8?

Answer 3: Yes! Landlords who own fewer than 5 rental units will still have the option to participate in the Section 8 program and accept tenants who use housing vouchers.

Question 4: If I own fewer than 5 rental units, does that mean I can advertise that will not accept Housing Choice Vouchers?

Answer 4: It’s inadvisable. While a landlord with fewer than 5 rentals is exempt from the new requirements, it could still be argued that the refusal to accept Housing Choice Vouchers creates a disproportionate impact on certain protected classes.

That’s all for this installment of From the Mailbag. For more information about source of income or other protected classifications, please reach to the email listed below. As always, we look forward to your questions and suggestions for future topics. Take care and we’ll see you next time!