

Fair Housing Laws

Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin. (Amended 1/90)

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin. (Amended 1/00)

Do Any of These Sound Familiar?

- Your sales associate shows the parents of a blind toddler a house for sale at the end of a quiet cul de sac. A block away, on a busy corner, they notice another house for sale that meets their specifications and ask why he didn't show them that one.
- A property manager shows a young, single woman a top-floor apartment when there is a first-floor unit available. A perfectly sincere concern for this woman's safety may have led the manager to steer the tenant to the top-floor unit he perceives as safer.
- A customer asks your sales associate where one of your listings is located. "It's on Division Street," he says, "across the street from a little bodega and a block away from Roberto Clemente High School." The choice of the word "bodega" instead of the more generic store might been seen as a way to indicate that the many of the neighborhood's residents were Hispanic.

Although well-intentioned, these common practices constitute steering. This effort to influence a person's housing choices based on race and other protected factors violates federal fair housing laws and places you, the broker, at risk of a discrimination complaint.

Fair Housing—A Web of Legislation

Federal fair housing law consists of the Civil Rights Act of 1866 and Title VIII of the Civil Rights Act of 1968, otherwise known as the Fair Housing Act. The act, as amended in 1988, provides that no one can be discriminated against in the sale, rental, or financing of residential dwellings on the basis of these protected classes:

- Race
- Color
- Religion
- Sex
- Handicap
- Familial status
- National origin

In addition, the Civil Rights Act of 1866 provides that all U.S. citizens have the same rights as white citizens to “inherit, purchase, sell, hold, and convey real and personal property.” The U.S. Supreme Court has interpreted this act to prohibit all forms of racial discrimination with regard to real estate—even discrimination by private individuals. Penalties can include punitive as well as actual damages.

TIP: Fair housing laws in some states and municipalities may include additional protected classes—such as sexual preference, age, or sources of income. For information on your state's fair housing laws, contact your state housing authority or visit the [U.S. Department of Housing and Urban Development](#) online. The site has a section for real estate brokers and a listing of state HUD offices.

TIP: The handicapped category under the Fair Housing Act includes not only obvious physical handicaps, but mental handicaps, alcoholism, and AIDS. Current abusers of controlled substances are not covered.

Exceptions to the Rules

- An owner who sells or rents a single-family home without the services of a real estate practitioner is exempt from coverage if he or she doesn't own or have an interest in more than three single-family houses and doesn't engage in [advertising](#) .
- Owners of buildings designed for occupancy by up to four families are exempt from the Fair Housing Act as long as they live in one of the rental units and do not use any advertising or the assistance of a real estate professional. However, discrimination on the basis of race is never lawful.
- Owners or managers of qualified “housing for older person” may refuse to rent to families with children. To qualify, a property must have at least 80 percent of the units occupied by at least one person 55 years of age or older and be marketed to those 55 or older.

TIP: Get a statement that a property meets these requirements from the current owner before you begin marketing it to seniors.

- Religious organizations may discriminate in the sale, rental, or occupancy of their noncommercial property.
- Private clubs may limit the rental or occupancy of their noncommercial lodgings to members.

Keep It Ethical

Never deny equal professional service to any person for reasons protected under the Fair Housing Act. ([Article 10](#))