

Fair Housing Laws

This brochure provides a quick review of the federal, state, and local fair housing laws. Keep it available as a reference tool that you can use every day.

Federal Fair Housing Laws

The Fair Housing Act of 1968

This law prohibits discriminatory housing practices. It is illegal to discriminate in the sale, rental or financing of housing based on race, color, sex, religion, national origin, familial status or handicap (mental and physical). Except for some limited exemption, the 1968 law, with amendments that took effect in 1989, covers all residential housing. Intent to discriminate generally does not have to be shown.

The Civil Rights Act 1866

This law prohibits racial discrimination in the purchase, sale or rental of real and personal property. There are no exemptions in this law. The Supreme Court has recently held that this law's protections may apply to certain ethnic and religious groups.

Who is liable?

The real estate firm, broker, owner and even investors in property can be sued under the federal fair housing laws if an agent is found to have discriminated. All can be held liable.

Testing

- Testers are persons who pose as actual home seekers to see how they are treated by a particular agent or real estate firm.
- Minority testers generally have the right to sue under the 1968 Fair Housing Act.
- If a minority tester is not given truthful information about the availability of a house or apartment, then there may be a violation of the Fair Housing Act.
- Testing is not entrapment, nor can you sue a tester for taking your time.

- It is virtually impossible to spot a tester.
- The only real way to prevent running into trouble with a tester is to know the law and your responsibilities under it.

Virginia Fair Housing Law

Prohibits discrimination in the sale, rental or financing of residential housing based on race, color, sex, religion, national origin, familial status, elderliness and handicap. Like the federal Fair Housing Act, there are a few limited exemptions.

Successful Real Estate practice Equals Knowing Fair Housing Principles

The Seller: Listing the Property

The federal fair housing laws prohibit a broker/agent from entering into a listing agreement with a seller that restricts the renting or selling of a house because of the race, color, sex, religion, national origin, familial status or handicap of a home buyer. It is also illegal to consider these matters as factors when determining the value of the property for a listing. (These practices are also prohibited under state and local fair housing laws.)

If a seller insists that a listing be taken using discriminatory conditions, the agent should:

- Explain to the seller that the request is illegal under federal, state and local fair housing laws.
- Give the seller a copy of *What Everyone Should Know About Equal Opportunity in Housing*, published by the NATIONAL ASSOCIATION OF REALTORS® or a copy of this brochure.
- If the seller insists that a listing be taken with the discriminatory conditions included, the agent must refuse to take the listing, telling the seller it is illegal to comply with the instructions.
- The agent must immediately tell the broker

about the situation and the action taken. Brokers and companies become as liable as the seller for discrimination if they accept the listing.

The Buyer: Qualification Procedures

It is illegal to qualify a buyer differently based on race, color, sex, religion, national origin, familial status, handicap or any locally protected class. The qualification process used should help determine what the buyer's housing needs are in a non-discriminatory way. In order to comply with fair housing laws, Real Estate Professionals should:

- Use objective criteria for qualifying all buyers. For example, financial information such as annual income, credit history and employment are all legitimate areas to inquire about when qualifying a buyer.
- Employ all qualification procedures equally. Remember, fair housing laws are generally concerned with whether you employ qualification procedures equally for all buyers.

Steering

Steering has been defined as an illegal manipulation of a housing market. For example, steering occurs when a buyer is influenced either directly or indirectly for racial reasons in the choice of housing.

If a buyer asks about the racial composition of a neighborhood, Real Estate Professionals should respond to such questions by referring the buyer to local government agencies that would have this demographic information.

Any other response could be misinterpreted and could be considered illegal under the fair housing laws.