



A REALTOR'S® Guide To Housing Opportunity

Working With Buyers

CELEBRATE the STRENGTH

The real estate market is changing because of cultural interaction among nations, regions, communities and neighborhoods. Evolutions in technology, communications, open-market economics and social migrations are making our country increasingly diverse and heterogeneous. Perhaps more than any other country, the U.S. has become a microcosm of the many cultures of the world and this trend toward increased social diversity is certain to continue.

REALTORS® who adapt to increasing social diversity in the market gain an enormous competitive edge in providing real estate services to their communities.

Diversity

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“All of our customers deserve the very best service we can possibly provide.”

The key to fair housing when working with prospective buyers is providing equal professional service.

This states:

- Use consistent systematic procedures
- Obtain objective information
- Let the customer set the limits
- Provide a variety of choices
- Document the service you provide

Below are some questions that buyers may ask that could be considered discriminatory. Also included are explanations of how the questions violate the fair housing act and how to respond to these questions.

Key Points

Question #1

What is the racial composition of this neighborhood?

Or, I only want to see white (Jewish, black, etc.) neighborhoods.

- Brokers and sales associates often work with homebuyers who have a preference for a neighborhood with a specific racial, religious or ethnic character.
- Federal law prohibits you from marketing property based on the racial or ethnic makeup of the neighborhood.

Areas of Liability

You can expose yourself to charges of discrimination if you discourage or encourage a homebuyer to buy because of the racial, ethnic or religious composition of the neighborhood.

Actions to Take

- If the homebuyer insists on restricting the home search on the basis of race, color, religion, sex, handicap, familial status or national origin of a neighborhood's residents, you must advise that you can not honor the preference. You can respond by telling them you would be happy to show them any homes that meet their criteria in any area.
- Never estimate or give an opinion of the racial, religious or ethnic composition of the neighborhood.



CELEBRATE the STRENGTH

To deal with the growing cultural diversity that characterizes our country, it is essential to commit to a positive acceptance of individuals who come from diverse cultures and backgrounds. This positive acceptance is more than a tolerance of other people. It is a commitment to a social philosophy that says, "I respect other individuals unconditionally, regardless of cultural, personal, societal or professional differences." It says to an individual, "Not only do I accept you, I accept the culture you come from." The Department of Housing and Urban Development has developed a set of principles related to the professional conduct of practicing real estate professionals. The "One America Principles" capture much of what REALTORS® need to do in order to initiate and operate a diversity-oriented practice that responds to the present and future state of our nation and our real estate market.

Question #2

Are there high-quality schools in the area?

Key Points

- Many lawsuits that have gone to trial allege that racial steering occurred when sales associates made comments about schools that were based on race.

Areas of Liability

If you make either complimentary or critical comments about schools based on the race of the homebuyer and the racial characteristics of the school population, you could be exposed to charges of racial discrimination.

Actions to Take

- Provide the homebuyer with only reliable and authoritative information, such as student-teacher ratios, expenditures per pupil, percentage of students who go on to college, and the number of National Merit Scholars from the recent graduating class.
- Maintain the same type of information for each school; never show favoritism for one school over another.

- Never attempt to influence a housing choice with either complimentary or negative general comments about the school or give an estimate or opinion of the racial, religious or ethnic composition of the student body.

Suggested Response

"Our office does not maintain statistics regarding the racial makeup of the student body in our market area. To get the best answers to your questions, you should contact either the school or the school district's main office.

Also, you might want to check with some of your potential new neighbors about how they feel about the schools their children attend."

Question #3

Would you live here?

Key Points

- Homebuyers often ask brokers and sales associates for their opinions regarding their choice among various homes.
- The Fair Housing Act prohibits attempts to influence the selection of housing on the basis of race, color, religion, sex, handicap, familial status or national origin.

Areas of Liability

If you suggest that race, color, religion, sex, handicap, familial status or national origin should be factors in the homebuyer's housing choice, you could be charged with discrimination.

Actions to Take

- Remind them that selecting an area in which to live in is based on many factors and is a private decision based on what they are looking for in a home. Their criteria will not be the same as someone else's including yours.
- Never mention or volunteer information related to the racial, religious or ethnic makeup of the area.

Working With Sellers

One America Principles

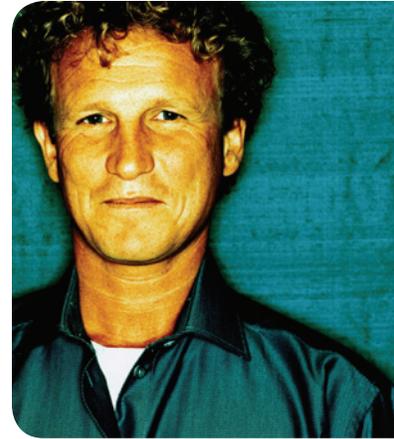
- I welcome you and want to do business with you.
- I will base my decisions and opinions of you on who you are and not on any preconceived stereotypes or ingrained value judgments.
- I subscribe to the Federal Fair Housing Act and its principles.
- I embrace and celebrate the strength that diversity brings to our communities and our nation.
- I will help you find opportunities to buy the home you choose.
- I will market homeownership to the public and reach out to people who may not know that homeownership is a real option.

Fair housing laws apply to homeowners who are selling or leasing property. As a REALTOR®, you should give homeowners a clear picture of their fair housing rights and responsibilities. This also helps you to avoid situations where the seller or owner expects you to discriminate on his behalf.

Make sure your listing agreement includes a clear statement that property is offered for sale or rent without discrimination based on race, color, religion, sex, handicap, familial status or national origin. You should also provide sellers or owners with brochures so that they review them at their leisure. The brochure What Everyone Should Know About Equal Opportunity in Housing can be found at www.realtor.org.

In addition to explaining fair housing laws and fair housing policy, be prepared to answer questions or respond to certain situations in an affirmative manner. You should be alert for questions and comments which are red flags for possible discrimination as you present offers from buyers. Be prepared to remind sellers and owners of their obligations to follow the law and your policy not to discriminate. In some situations, you may be forced to cancel your listing agreement if the seller or owner refuses to follow the law.

Below are some questions that sellers may ask that could be considered discriminatory. Also included are explanations of how the questions violate the fair housing act and how to respond to these questions.



Question #1

I believe that I, as a homeowner, have the right to sell my own home. A local broker told me I couldn't sell my home for the required price to the person I want. Is that true?

Key Points

- The Fair Housing Act prohibits sellers who use real estate brokers from refusing to sell or rent the sellers' home because of race, color, religion, sex, handicap, familial status or national origin of the purchaser or tenant.
- The Civil Rights Act of 1866 grants all citizens the same rights to buy or rent real estate. It prohibits all discrimination in the sale or rental of housing on the basis of race without exception.
- Michigan civil rights statute also prohibits sellers who use real estate brokers from refusing to sell or rent the seller's home because of age or marital status.

Areas of Liability

A seller or owner who discriminates on the basis of race, color, religion, sex, handicap, familial status or national origin is in direct violation of the law.

Actions to Take

- Inform the seller 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 the property.

Suggested Response

You have the absolute right to sell your home to anyone at your required price as long as you don't discriminate among otherwise qualified buyers on the basis of race, color, religion, sex, handicap, familial status or national origin. Federal and state statute fair housing laws prohibit you from discriminating against qualified homebuyers because of their race even if you don't use a real estate broker or sales associate.

Diversity

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“Not only do I accept you, I accept the culture you come from.”

One America Principles

- I will make sure you know there is a full range of housing choices available to you and encourage you to consider all communities and neighborhoods.
- I will make every effort so that we can communicate with each other. If we do not share a common language, I will work with you to find someone who can interpret.
- I have incorporated these principles in my daily operations and in my over-all business plan. I would be proud to share them with you.
- Please let me know about any cultural or special needs that you have so our business relationship will be comfortable.

Question #2

What color (religion, nationality) are the prospects?

Key Points

- When this question is asked, either you have failed to communicate to the seller that a decision to sell cannot be based on the homebuyer's race or the seller refuses to accept the consequences of discriminating under fair housing laws.
- This type of question should alert you to what may become a very serious problem in marketing this seller's property.
- Federal fair housing laws require that all property be offered to any qualified homebuyer without regard to race, color, religion, sex, handicap, familial status or national origin.

Areas of Liability

When a seller who has listed with your firm asks you this question, it can cause significant problems and expose you and the cooperating brokers and sales associates to charges of discrimination, unless it is immediately resolved.

Question #3

Can I get sued if I refuse to sell to minorities?

Key Points

- A refusal to sell or rent based on race, color, religion, sex, handicap, familial status or national origin is illegal and violates Section 804(a) of Title VIII of the Civil Rights Act, which was enacted in 1968.

Areas of Liability

- The seller can be exposed to charges of discrimination if the refusal to sell is based on the race, color, religion, sex, handicap, familial status or national origin of the homebuyer and not on differences in the terms or conditions of the sale or in the qualifications of the homebuyer.

- You may be charged with discrimination if you do not immediately dissociate yourself from a seller or lessor who wants to discriminate.
- Remind the seller that the listing contract prohibits discrimination.

Advertising Checklist

CELEBRATE the STRENGTH

Sample Diversity Mission Statement

Our mission is to provide high-quality service to you. We will base our decisions and opinions of you on who you are, not on any preconceived stereotypes or ingrained value judgments. We aim to ensure that you know there is a full range of housing choices available to you and encourage you to consider all communities and neighborhoods.

Our vision is to embrace and celebrate the strength that diversity brings to our communities and our nation. Because you are the reason we are in business, we will continue to grow by remaining responsive to our market and to you as our customer.

Diversity

1 2 3

"I represent all races and age segments of the population in the area."

According to federal fair housing laws, advertising for the sale or rental of a property may not state a preference for any person or an intention to exclude any person because of that person or indicate one's race, color, religion, sex, handicap, familial status or national origin.

This prohibition applies to the use of all media, such as newspapers, radio, television or billboards, and any written material produced in connection with the sale or rental of a dwelling, such as application forms, brochures, flyers, signs, posters or banners. It also applies to all oral statements made by an agent.

To Comply with the Law, Avoid:

- Using words or phrases describing the dwelling, landlord or tenants. Examples: white private home, colored home, Jewish home, Hispanic residence, adult building, or other words indicative of race, color, religion, sex, handicap, familial status or national origin.
- Conveying preference to one group over another or exclusion due to race, color, religion, sex, handicap, familial status (children under 18) or national origin.
- Using catchwords, such as restricted, exclusive, private, integrated, traditional, board approval or membership approval.
- Using symbols or logos that imply or suggest discrimination because of race, color religion, sex, handicap, familial status (children under 18) or national origin.
- Writing out the directions to the property that refer to well-known racial, ethnic or religious landmarks or to any other major landmark that could signal a preference for a specific type of person.
- Targeting advertisements to one segment of the community.
- Using only adult white persons in advertising over a period of time.
- Using prohibited words or phrases with respect to handicapped persons or families with children, including:

blind

mentally ill

exclusive

retarded

Cripple

mature persons

adult building

restricted community

deaf

singles

Avoid Advertising In:

- A strategically limited geographic area
- Particular editions of newspapers to reach a particular segment of the community
- Only small papers that cater to particular ethnic or religious groups rather than general circulation papers
- Only selected sales offices

The Fair Housing Act Permits:

Indicating that rental property is:

- Accessible to handicapped individuals.
- Intended for and operated as housing for older adults.



Using the equal opportunity logo, statement or slogan in all advertising.

Using human models who:

- Represent all races and age segments of the population in the area, including families with children and people with disabilities.
- Vary periodically so that diverse groups in your community are featured – majority and minority in the metropolitan area, both sexes, families with children (when appropriate).
- Portray persons in an equal social setting.
- Indicate to the general public that housing is available to all persons, regardless of status.

Localizing your efforts to abide by the law by doing the following:

- Know the guidelines in the area where promotional materials are seen. Laws vary according to location.

Learning about each publication's guidelines or criteria before purchasing an advertisement.

Questions to Evaluate Your Advertisements & Promotional Materials

- What is your message really saying?
- Does the ad exclude any potential prospects or groups?
- Does the ad describe the listing and not the target market?
- What steps can I or my firm take to assure that we can truly provide the services promoted in the ad?
- What is your message really saying?



Americans with Disabilities Act

ADA

The Americans with Disabilities Act (ADA) was enacted in 1992 to assure equal access and services to disabled individuals. The ADA makes it unlawful to discriminate against people with disabilities.

REALTORS® are affected by two parts of this act. Title I of the Act deals with employment and affects real estate and association offices if they have 15 or more employees. Title III of the Act deals with public accommodations, and affects real estate offices, association offices and commercial facilities.



Title I — EMPLOYMENT

The Act requires that employers make reasonable accommodation to the known physical or mental disabilities of a qualified applicant or employee, unless it would impose an undue hardship on the employer. Reasonable accommodation will be decided on a case-by-case basis, but may include job restructuring, modified work schedules, providing readers or interpreters, raising a desk for a person with a wheelchair or allowing a person to bring a service animal into the workplace.

Under Title I, a qualified person with a disability is someone who can perform the essential functions of the job with or without reasonable accommodation. This means that the individual must satisfy the prerequisites for the job such as experience, education, licensure, etc., and be able to perform the fundamental tasks of the job.

Title III — Public Accommodations, Commercial Facilities and Private Entities That Offer Certain Education Courses

This section of the Act covers most businesses that service the public. It also covers commercial facilities and probate entities that offer educational courses. If a real estate broker or agent has a home office in which business is conducted with customers, that portion of the home must also be in compliance.

The intent of Title III of the Act is to provide equal access and services to disabled individuals in the most integrated setting possible. It requires the removal of architectural and communication barriers in existing facilities where such removal is readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

REALTORS® should inform sellers and buyers of the existence of the ADA and that it applies to public accommodations and commercial facilities. Sellers and buyers can then discuss the ADA compliance requirements during contract negotiations in consultation with their respective attorneys. This is particularly important in commercial transactions.

The U.S. Department of Justice provides information about the Americans with Disabilities Act (ADA) through a toll-free ADA information line. ADA specialists are available Monday through Friday. The ADA also provides Spanish-speaking specialists on its information line.



For additional resources, please visit our web site at:

www.mirealtors.com

