

How to Stay Out of Fair Housing Jail

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WHAT RULES APPLY TO REALTORS®?



FAIR HOUSING ACT



MASS. GEN. LAW
CH. 151B & 254 CMR 3.00



REALTOR® CODE OF
ETHICS

Fair Housing Act

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities.

But what about the “Mrs. Murphy” exemption?

Owner-occupied buildings with no more than four units, single-family houses are exempt from the Fair Housing laws if the property is sold or rented by the owner ***without the use of an agent*** ...

Massachusetts Fair Housing Law

Massachusetts state law adds eight protected classes to those already included in the Federal Fair Housing Act.

Massachusetts exemptions:

Owner-occupied buildings with two or fewer units are exempt from the Fair Housing laws.

Massachusetts also provides an additional exemption for owners who are 65 or older or infirm and occupy a building with three or fewer units. May deny housing if the presence of children would be a hardship.

The exemption no longer applies if a real estate licensee is involved in the transaction!



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Housing Assistance

If a prospective tenant asks if the landlord accepts Section 8, the **only** acceptable answer is “YES!”



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Protected Class	Federal	REALTOR® Code of Ethics	Massachusetts
Race	•	•	•
Color	•	•	•
Religion	•	•	•
Sex	•	•	•
Handicap	•	•	•
Familial Status	•	•	•
National Origin	•	•	•
Gender Identity		•	•
Sexual Orientation		•	•
Ancestry			•
Genetic Information			•
Marital Status			•
Veteran or Active Military Status			•
Age			•
Source of Income (i.e. Section 8)			•

Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. 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, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

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, national origin, sexual orientation, or gender identity.



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Standards of Practice

When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, REALTORS® may provide other demographic information.

REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.



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NEW!! Standard of Practice 10-5

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity

Adopted November 13, 2020

FAQs: <https://www.nar.realtor/national-leadership/committee-members-liaisons/code-of-ethics-professional-standards-policies#resources>



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What is Steering?

Steering is the act of guiding prospective buyers to or away from certain neighborhoods based on their identity as a member of a protected class.

Does not matter whether it is inadvertent, deliberate, or in response to questions from a client!

It is unethical and illegal, because it limits the housing opportunities available to that buyer.



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What the buyer asks	The information they actually want	Where to refer them
Is this a nice neighborhood?	Neighborhood demographics such as racial, ethnic, income breakdowns	U.S. Census Bureau, Local Government
Is this a good school district?	School ratings	MA Department of Education, Online school ratings
Is the neighborhood safe?	Crime statistics	Local Police Department



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A request from the home seller or landlord to act in a discriminatory manner in the sale, lease or rental cannot legally be fulfilled by the real estate professional.





LOVE
LETTERS

Personal letters from buyers often contain personal information and reveal characteristics of the buyer:

- Race
- Religion
- Familial status

“My husband and I cannot wait to see our children run down the stairs on Christmas morning!”

A seller may use, knowingly or through unconscious bias, these characteristics as an unlawful basis for deciding to accept or reject an offer.

Best Practices for Dealing with Love Letters

- Educate buyers and sellers about the fair housing laws and the dangers of love letters.
- Inform your buyer that you will not deliver love letters.
- Obtain an instruction from your seller to not accept personal letters and place that in the MLS listing.
- Educate your sellers that their decision to accept or reject an offer should be based on objective criteria.
- If your client insists on drafting a buyer love letter, do not help your client draft or deliver it.
- Avoid reading any love letter drafted or received by your client.
- Document all offers received and the seller's objective reason for accepting or rejecting the offer.



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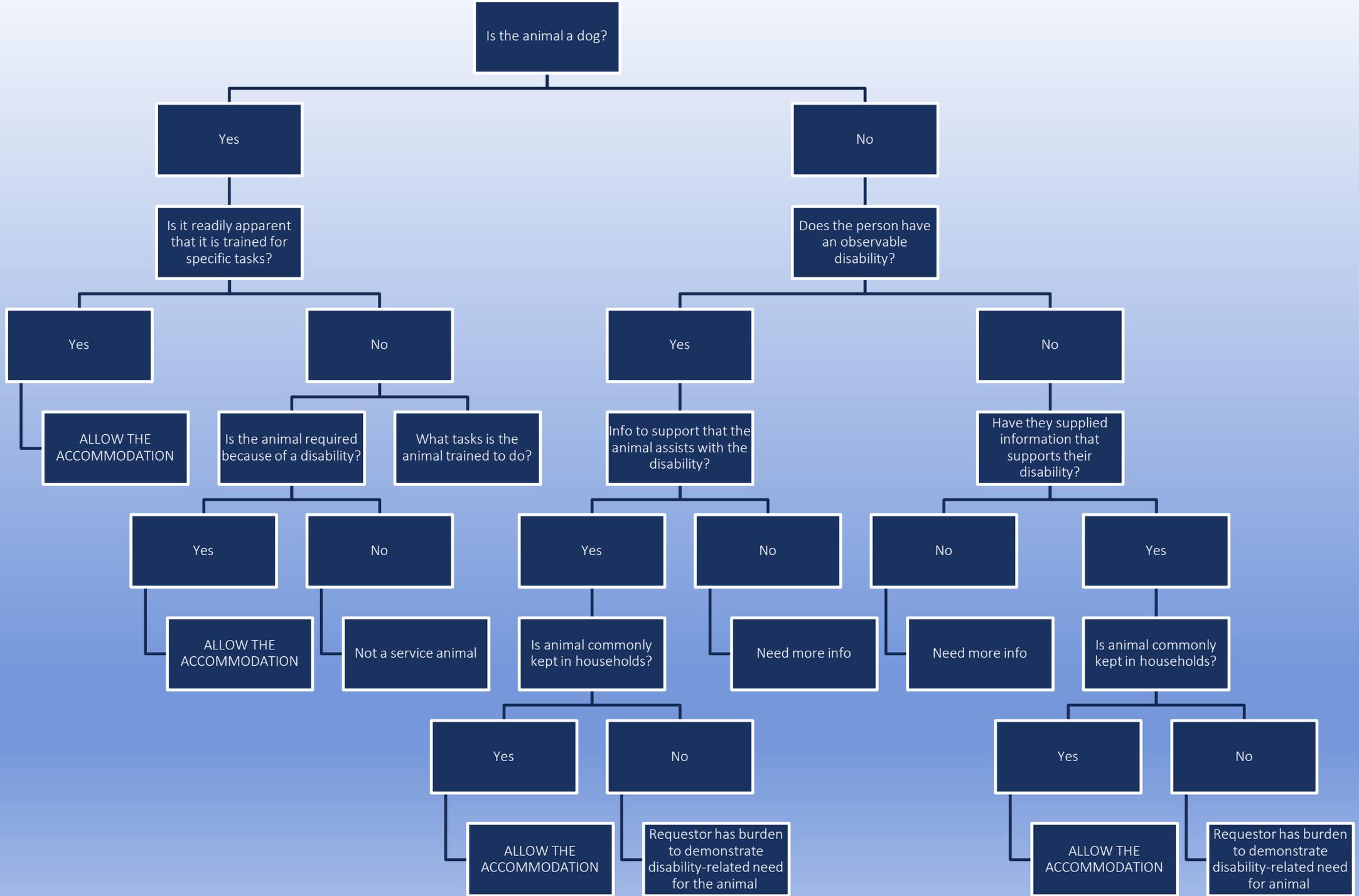
Assistance Animals

Under the FHA, an assistance animal is an animal that works, provides assistance, or performs tasks for the benefit of a person with a disability, or that provides emotional support that alleviates one or more identified effects of a person's disability.

An assistance animal is not a pet.



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Real Life Scenarios

Newsday undercover reporting in Long Island, New York:

- 25 Testers
- 93 Real Estate Agents Tested
- 5,763 listings analyzed
- The New York Department of State has launched 132 investigations into housing bias as a result.
 - 18 licenses subject to suspension

<https://projects.newsday.com/long-island/real-estate-agents-investigation/>

“Qualified Renters Need Not Apply”

- Testing uncovered evidence of discrimination based on voucher status in 86% of the tests.
- There was evidence of discrimination based on the prospective renter’s race in 71% of the tests.
- Prospective minority renters experienced “ghosting”

https://www.suffolk.edu/-/media/suffolk/documents/news/2020/law-news/rental_housing_study_july2020.pdf



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BUILDING BLOCKS FOR COMPLIANCE



Require the same documentation from all prospective buyers



Let your buyers evaluate neighborhoods on their own criteria



Send your buyer all properties that match their requirements



Don't make any decisions for your client

IF YOU SUSPECT
DISCRIMINATION...



Call your broker



Call your Local REALTOR® Association



File a complaint with the U.S.
Department of Housing and Urban
Development

REALTOR® Resources

<https://mass.realtor/>

<https://www.marealtor.com/fair-housing/>

<https://fairhaven.realtor/>

<https://www.nar.realtor/fair-housing>



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July

Questions