Building Inclusive Communities Through Fair Housing
Fair Housing Center of Central Indiana
2nd Annual Fair Housing Conference

Common Forms of Discrimination in
SALES
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Miami Valley Fair Housing Center
Outline of Today’s Presentation

1. Outright Denials
2. Different Terms/Conditions
3. Steering

April 17, 2014  ●  Indianapolis, IN
Perhaps most obvious form of housing discrimination

OUTRIGHT DENIALS TO SHOW, SELL
You can’t live here because you’re . . .

Unfortunately there is a long and ugly history of housing discrimination based upon outright refusals by sellers, real estate agents, and others to permit members of various protected classes from engaging in real estate sales transactions.

Before the passage of the Civil Rights Act of 1968, it was more often the rule than the exception that people were flatly denied service.
Getting Here it wasn’t easy

April 11, 1968
In the sale of housing no one may take any of the following actions based upon race, color, national origin, religion, sex, familial status or handicap.
Refuse to rent or sell housing
Refuse to negotiate for housing
Make housing unavailable
Deny a dwelling
Set different terms, conditions or privileges for sale or rental of a dwelling
Provide different housing services or facilities
Falsely deny that housing is available for inspection, sale, or rental
For profit, persuade owners to sell or rent (blockbusting) or
Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.
In Addition: It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.

- Advertise or make any statement that indicates a limitation or preference based on any protected class.
Exemptions:

Religious Groups and Private Clubs
Advertising for gender specific roommates
Senior Complexes
Commercial Zoned Land/Dwellings
owner-occupied buildings with fewer than four rental units
Unfortunately, change has been slow

**46 Years after the passage of the Fair Housing Act**

We still have a long way to go to realize the promises embodied in the law
LLB&B, a real estate company based in Mobile, AL agreed to pay $29,000 as part of a conciliation agreement resolving allegations that one of its agents refused to show a condominium to a prospective homebuyer because he is African American.
Agent inadvertently left a message voicemail to prospective buyer saying

“Those people will panic when they see a black person drive up and look at it. I called him back. He didn’t answer, so that was good! If I didn’t call him back he could sue me for prejudice.”

Agent was terminated and company agreed to pay and get training for all of its employees.

May 2013
Different Terms and/or Conditions Placed on Sale

More Subtle, More Pernicious
Both communities are cooperatives; residents own their homes but the land is owned collectively.

Testers (White couple & African American couple) sent by the Fair Housing Justice Center, a private fair housing organization, both looking for homes priced below $300,000.

White couple was warmly welcomed by Realtor, and quickly shown nine homes available in both Edgewater Park and Silver Beach Gardens.
White tester voiced concern that she did not know anyone who lived there— the cooperatives’ rules say that prospective buyers must submit three recommendation letters from current residents.

Realtor replied that she would line up the necessary reference letters, adding “they would love you, I can tell.”
A week and a half later, the African American could arrived at the Realtor’s office and was almost immediately asked if they knew three people who lived there.

When they said they did not, Realtor said, "there’s no way you’re going to get in there," and went on to say that Edgewater Park was “not wonderful for everybody,” adding that it was mostly Irish and Italian, “kind of prejudice” and “like Archie Bunker territory.”
In the end, the Realtor refused to show the African American couple any homes in either Edgewater Park or Silver Beach Gardens.

Three calls made to the Realtor’s office were not returned.

2000 Census figures show that while blacks account for 35% of owner-occupied homes in the Bronx, they account for less than 1% of homes in Edgewater Park and Silver Beach Gardens.
Also Subtle, Also Pernicious – restricts benefits for current residents + potential buyers
Methodology

Each test assignment included a test part conducted by an African American individual (AA tester) and a test part conducted by an Caucasian individual (CT tester).

Within a matched test, both the AA tester and the CT tester were seeking to purchase a house in a similar price range, though the AA tester was a financially more viable home-seeker due to the fact that the AA tester had funds available for a 10% down payment and closing costs.

The CT tester had funds available for a 5% down payment and closing costs.
Methodology

Both the AA tester and the CT tester were relocating to the Dayton area due to new employment, a job transfer, or to be closer to relatives in nearby areas (i.e. Cincinnati and Columbus), and therefore had no knowledge of the area and requested the Realtor’s guidance.
Miami Valley Fair Housing Center Examines steering in Dayton, Ohio

Results

Though the CT testers always expressed an interest in an anchor house that was located within a neighborhood where the minority population greater than 40%, Realtors rarely showed CT testers any other houses in these same neighborhoods.

Rather, the Realtors showed the CT testers neighborhoods where the minority concentration is no greater than 20% of the population.
Results

In fact, in one-third of the tests, the CT testers had to stress their interest in the anchor house in order to see it.

And when they did see the anchor house, the CT tester saw it as either the last house that was squeezed in on a tour that lasted at least three hours, or the CT tester had to schedule a second appointment in order to view the anchor house.
Results

The AA tester’s experience was very different.

The Realtor took the AA tester to view the anchor property first, and then proceeds to a neighborhood with a higher minority concentration and talks about the benefits of the neighborhood, such as the new schools.

Though the Realtor does drive the AA tester by another listing that the Realtor has, he does not show the property – in fact, the AA tester does not tour any other properties during their visit.
The same Realtor is contacted in a third test part, by a Caucasian tester (CT). CT tester is relocating to the area from a town in southeastern Ohio and inquires about the same anchor house as the AA tester. During their first appointment, the Realtor volunteers to the CT tester that the first property they are viewing is located in an area “that is 75% black – just to let you know.”
National Fair Housing Alliance, HUD, and DOJ vs. RE/MAX East-West

RE/MAX East-West serves Illinois’s DuPage and Cook Counties, including the neighborhoods in Elmhurst, Lombard, Villa Park and Bensenville.

Investigation found that RE/MAX East-West agent John DeJohn steered potential white and Latino homebuyers to areas where their race predominated.

February 2009
DeJohn told white testers that two homes they viewed together in a predominantly African American and Latino area were “dumps” and “repos”; even though he had told the Latino tester that one of those same homes “might be good for you,”

While white tester received multiple follow-up calls subsequent to his appointment with the agent, the Latino tester received none.
National Fair Housing Alliance, HUD, and DOJ vs. RE/MAX East-West

Case settled, with RE/MAX East-West required to hire a qualified organization to provide fair housing training to its agents, and to maintain records and submit periodic reports to the Department of Justice and pay the National Fair Housing Alliance $120,000.

The agent, John DeJohn agreed to surrender his real estate license.
National Fair Housing Alliance, DOJ vs. Coldwell Banker Joe T. Lane Realty, Inc.

Series of test conducted in which two testers posed as home seekers looking for properties in the same price range. Testers had identical housing preferences, but African American tester had slightly better financial qualifications.

Rodney Foreman, Realtor, discriminated based on race by steering white home seekers away from interracial neighborhoods where African Americans lived and into white neighborhoods.

February 2010
He then steered African American home seekers away from white neighborhoods and into predominately African American neighborhoods.

During one test, Foreman told a white tester “Once Blacks move in then property values go down, it is impossible to sell your house . . . I want you to be able to re-sell your house.”

National Fair Housing Alliance, DOJ vs. Coldwell Banker Joe T. Lane Realty, Inc.

February 2010
The defendants in the case all denied liability.

However, Rodney Foreman and Coldwell Banker Joe T. Lane Realty, and its successor-owner, Coldwell Banker Bullard Realty Company, Inc. agreed to pay $160,000 – which is believed to be the largest real estate sales discrimination settlement involving a single agent’s behavior in ten years.
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Thank You