

Broker Power Hour

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NARdotRealtor



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ACT! INITIATIVE UPDATE



- 1. ACCOUNTABILITY
- 2. CULTURE CHANGE
- 3. TRAINING

REALTORS® are members of the National Association of REALTORS®



WHY ACT?

The 2019 **NEWSDAY** investigation revealed widespread **Steering & Unequal Treatment** by Real Estate Agents

- 19% Against Asian Americans
- 39% Against Hispanic Americans
- 49% Against African Americans
- 40% Overall Against Buyers of Color

ACT! | ACCOUNTABILITY

Self Testing

- **NAR has partnered with a national fair housing organization to conduct voluntary, confidential self-testing for brokerages.**
- **NAR piloted the self-testing program in 2022.**
- **In 2023, three brokerage companies are participating in the self-testing program.**

ACT! | ACCOUNTABILITY

The Self Testing Training discusses:

- **The importance of testing**
- **The history of housing discrimination**
- **Case studies created using the results of the tests that were conducted**
- **Best practices**

ACT! CULTURE CHANGE: REALTOR® Fair Housing Champions

- During RLM, we celebrated our 2023 Champions. **Ava Barnes, Sophia Crisp, and Frank Williams** were honored for their work advancing fair housing and expanding homeownership in their communities.
- Realtor.com has been a great partner generously providing a \$5,000 prize that winners can dedicate to a housing-related nonprofit organization of their choice.
- Our Fair Housing Champions are featured in throughout the year and at our conferences.

ACT! TRAINING | BIAS OVERRIDE



Over 600 people registered for Bias Override at RLM

ACT! TRAINING | BIAS OVERRIDE

- **Overcoming Barriers to Fair Housing is an NAR certificate course and a risk management tool that helps REALTORS® interrupt stereotypical thinking so they can avoid fair housing pitfalls and provide equal professional service to every customer or client. Find out where it's being offered here: <https://www.nar.realtor/fair-housing/bias-override-overcoming-barriers-to-fair-housing> and reach out to Dawn Headtke.**
- **Participants learn about the mind science of identity, study how implicit bias can result in fair housing violations, and engage in interactive exercises to enhance communication skills and business relationships with clients of all backgrounds.**
- **Bias Override teaches REALTORS® how to:**
 - **Understand the history of bias and discrimination in real estate.**
 - **Explain how implicit bias may result in violations of Fair Housing laws and industry ethics.**
 - **Identify interventions to prevent implicit bias, identity anxiety, and stereotype threat from influencing behavior.**
 - **Increase personal motivation to confront these phenomena in their business and community.**

ACT! TRAINING | FAIRHAVEN



Over 60,000 REALTORS® have completed Fairhaven

FAIRHAVEN

- Fairhaven is a town every REALTOR® should visit online.
- **It's a simulation training designed for REALTORS® that uses the power of storytelling to help you identify, prevent, and address discriminatory practices in real estate.**
- **It's inspired by real stories.**
- **You work against the clock to sell homes in Fairhaven while confronting discrimination in the homebuying process.**
- **You walk in the shoes of homebuyers facing discrimination.**
- **You receive customized feedback that you can apply to your daily business interactions.**
- **The Fairhaven training is FREE!!!**

ACT! TRAINING

UPDATE REGARDING RECOMMENDATION TO HAVE
REALTORS® COMPLETE REGULAR FAIR HOUSING
TRAINING AS A CONDITION OF MEMBERSHIP

FAIR HOUSING TRAINING REQUIREMENT FOR REALTORS®

The Work Group on Fair Housing Training was formed with members of the Membership Policy and Board Jurisdiction Committee, the Fair Housing Policy Committee, the Association Executives Committee, and the Professional Development Committee.

FAIR HOUSING TRAINING REQUIREMENT FOR REALTORS®

To require **two (2)** hours of Fair Housing training for members every three (3) years, coinciding with the Code of Ethics training cycle and beginning in 2025, as a condition of REALTOR® membership. Courses satisfying the requirement are:

1. NAR's Bias Override training
2. NAR's At Home With Diversity training
3. Equivalent courses provided by state and local associations or their partnered providers, with terms of equivalency credit as detailed in the Learning Objectives
4. Fair Housing courses approved by state licensing authorities for an existing state Fair Housing requirement that meet the terms of equivalency as detailed in the Learning Objectives

FAIR HOUSING TRAINING REQUIREMENT FOR REALTORS®

To recommend to NAR staff that Fairhaven be updated for inclusion in the list of courses by meeting the equivalency requirements detailed in the Learning Objectives.

FAIR HOUSING TRAINING REQUIREMENT FOR REALTORS®

Rationale:

- **As stewards of the right to own, use, and transfer private property, REALTORS® recognize that offering equal professional services to all is a quintessential part of our commitment to a higher ethical standard.**
- **The requirement affirms NAR's emphasis on training in the Fair Housing ACT! Initiative and guarantees that all REALTORS® receive substantive fair housing training.**
- **With Fairhaven offered free of charge and grants available for Bias Override training, we ensure quality education for all while limiting the financial burden on both members and associations.**

FAIR HOUSING TRAINING REQUIREMENT FOR REALTORS®

NAR's Board of Directors adopted these recommendations at the May meetings.

Broker Power Hour

UPDATE: FAIR HOUSING ENFORCEMENT RESEARCH

BEST PRACTICES UNDER CONSIDERATION

- **Expressly prohibit fair housing violations.**
- **Provide specific examples of violations.**
- **Empower licensing agencies to investigate and discipline fair housing violations without requiring another body to find liability first.**
- **Empower Commissions to investigate absent a triggering complaint.**
- **Promote coordination with state human rights agencies.**
- **Encourage public transparency regarding disciplinary actions.**

BEST PRACTICES UNDER CONSIDERATION

- **In 2022, NAR conducted interviews with state commissioners, staff, and experts to refine these proposed best practices.**
- **Interviewees favored the intent of our best practices and expressed support for:**
 - **Improved interagency interactions**
 - **Incorporating examples of fair housing violations into regulations, agency opinions, fair housing classes**
 - **Providing public access to disciplinary actions against individual licensees.**

BEST PRACTICES UNDER CONSIDERATION

Takeaways:

- **Better fair housing education for licensees and consumers**
- **Collaboration between the licensing body and the enforcement agency.**
- **We are going in the right direction.**

ACT! TRAINING

UPDATE: FAIR HOUSING EDUCATION FOR APPRAISERS

FOCUS OF ARTICLE 10 TRAINING FOR APPRAISERS

- **Article 10 requires REALTORS® to provide equal professional service.**
- **Defining what it means for appraisers to provide equal professional services to include refraining from using or relying on unsupported conclusions relating to race, color, religion, sex, disability, familial status, national origin, sexual orientation, or gender identity.**
- **Explaining the history of race and property values. For example, there is discussion about the 1934 FHA Underwriting manual.**
- **Discussing the lingering impact of past practices and policies.**
- **Understanding Implicit Bias**
- **Analyzing case studies**
- **Reviewing checklists/best practices**

FHA's Underwriting Manual (1938)



"Areas surrounding a location are investigated to determine whether incompatible racial and social groups are present, for the purpose of making a prediction regarding the probability of the locations being invaded by such groups.

If a neighborhood is to retain stability, it is necessary that properties continue to be occupied by the same social and racial classes.

A change in social or racial occupancy generally contributes to instability and a decline in values."⁴



Examples of Racial & Ethnic Commentary the Federal Housing Finance Agency (FHFA) Found in Present-Day Appraisals and Referred to HUD for Investigation in 2021

A town was described as having a “Black race population above state average.”

It was noted that "there is more Asian influence of late" buying in the market.

It was noted that an area’s “decline in population, ...transitioned from being predominately Eastern European to having a substantial amount of Black and Hispanic people.”

It was noted that an area was “not especially diverse ethnically, with a high percentage of white people.”

THE FAIR HOUSING POLICY COMMITTEE IS WINNING!

In only its third year of existence, the FHPC committee and its partners put forward proposals adopted by the Board of Directors that changed NAR policy **7** times:

In support of:

1. Fair Lending
2. Special Purpose Credit Programs
3. Down Payment Assistance
4. Diversity in the Appraisal Profession
5. Consumer Protection in Appraisals
6. Urging our state associations to support legislation providing for heirs' property reform
7. The most recent - minimum fair housing training requirements for membership

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**“The secret of change is to focus
all of your energy, not on fighting
the old, but on building the new.”**

Socrates

THANK YOU.



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