

CHAPTER 2. COOPERATION WITH HOUSING INDUSTRY GROUPS AND
NATIONAL BUSINESS AND PROFESSIONAL ORGANIZATIONS

- 2-1. INTRODUCTION. Vitally important components of support for equal housing opportunity are found in the private sector among housing industry groups, and national business and professional organizations. The Office of Voluntary Compliance pursues a variety of programs to enlist that support, chiefly, areawide affirmative marketing plans and agreements and national affirmative action programs.
- a. Areawide Plans and Agreements. Voluntary areawide affirmative marketing plans and agreements commit signatory parties to collective action in support of affirmative marketing programs in specific housing market areas to achieve the goals of equal housing opportunity.
 - b. National Affirmative Action Programs. National associations and organizations are also encouraged to establish ongoing fair housing programs for their members in order to contribute to the total programmatic effort.
- 2-2. HOUSING AND HOME FINANCE GROUPS THAT SUPPORT VOLUNTARY COMPLIANCE
- a. Home Builders. The National Association of Home Builders (NAHB) has over 75,000 members and a local chapter in almost every major metropolitan area--each with an executive officer. Area Office FHEO Division Directors should establish effective liaison with these executive officers in order to implement HUD's voluntary affirmative marketing agreement with the NAHB, adopted on October 22, 1976.
 - b. Real Estate Brokers.
 - (1) The National Association of Realtors (NAR) also has an affirmative marketing agreement with HUD. Since its adoption, all 1,600 member boards have been encouraged to endorse and implement the agreement. In addition, the NAR has revised its code of ethics, incorporating more extensive equal housing opportunity provisions. Pursuant to this code, member boards will not discriminate "in the sale, purchase, exchange, rental or lease of real property," will not participate in racial steering, panic tactics, or engage in any advertising that "indicates any preference, limitation or discrimination based on race, color, religion, or ethnic background."

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- (2) Another organization of real estate practitioners is the National Association of Real Estate Brokers (NAREB). Members of NAREB, known as Realtists, years ago organized as a black counterpart to what was then the National Association of Real Estate Boards as a result of being barred from joining the latter organization. In the Spring of 1976, HUD and NAREB adopted a voluntary agreement similar in many respects to HUD's agreement with the NAR. An important aspect of voluntary compliance work with real estate brokers is to promote cooperation between Realtors and Realtists.
- c. Property Managers. Through a series of voluntary plans in various cities, property managers, particularly of apartments, are being brought into the equal opportunity effort. For example, the Minnesota State Apartment Association developed a plan with HUD that covers 375 owners and managers of rental units, and assures that their properties will be leased or rented without regard to race, color, religion, sex or national origin.
- d. Mortgage Lenders. The Mortgage Bankers Association of America, working with staff of the Office of Voluntary Compliance, instituted a Fair Loan Availability Guaranty (FLAG) program and a national code of ethics that must be conspicuously displayed in all members' offices. The code stipulates that mortgages and loans will be provided without regard to race, color, sex, religion or ethnic background of the prospective borrower. The FLAG program affects such other operations as loan applications, verifying loan qualifications, establishing the loan value of collateral ratio, discounting loans, setting fees, and determining the loan's quality service.
- e. Housing Professionals. Groups such as the American Institute of Architects have also joined the fair housing effort. The AIA recently revised its national code of ethics to commit its members not to "undertake housing projects which deny the human rights of any segment of society ...". In addition, various groups of real estate appraisers (the Society of Real Estate Appraisers, American Institute of Real Estate Appraisers, and others) are all developing affirmative action programs.
- 2-3. BUSINESS ORGANIZATIONS. Several major corporations have signed voluntary compliance agreements with HUD, but most corporations prefer to develop fair housing programs by working with local fair housing groups. OVC developed a "Manual for Corporate Employers" on fair housing which has been widely distributed.
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A HUD contract was recently awarded to stimulate corporate interest in fair housing in the South and several seminars were conducted in this regard. Office of Voluntary Compliance staff are working with the National Urban League to expand its work among corporations. Additionally, OVC published a "Corporate Newsletter" on fair housing which has been regularly and widely circulated to major U.S. corporations. OVC also works closely with the American Association of Life Insurance, and that group has issued a policy statement in support of fair housing.

- 2-4. NATIONAL ORGANIZATIONS. Groups not directly involved in the housing industry, or with industry in general, are also making a contribution. For example, the National Association of Real Estate License Law Officials (NARELLO) is made up of State real estate licensing officials who are responsible for the testing and certification of real estate brokers and salesmen. NARELLO, working with the National Association of Realtors, has agreed to incorporate questions on equal housing opportunity into state examinations for licensing.