

CHAPTER 5. HUD'S AGREEMENTS WITH NATIONAL HOUSING INDUSTRY GROUPS

5-1. INTRODUCTION. The Voluntary Compliance Program provides policies, frameworks, and mechanisms for fair housing activities with the housing industry at the national level. The program operates through Voluntary Affirmative Marketing Agreements (VAMAs) between HUD Headquarters and national organizations that represent various elements of the housing industry. VAMAs serve as a major vehicle of cooperation between the community and the local housing industry professionals to promote fair housing practices.

HUD has negotiated and signed VAMAs with the National Association of Realtors, the National Association of Real Estate Brokers, the National Association of Home Builders, the National Association of Real Estate License Law Officials, and the National Apartment Association. Under these Agreements, each national industry group and their local affiliates voluntarily practice fair housing through an affirmative marketing program of communication, education, training, technical assistance, and outreach. HUD provides advice, technical assistance, and information to the housing industry and housing owners to implement the VAMAs through HUD Regional and Field Offices. HUD uses Equal Opportunity Specialists to assist the housing industry. The CHRB provides program implementation aid to local housing industry groups that have signed VAMAs with HUD. In essence, each VAMA commits a segment of the housing industry to affirmative fair housing marketing internally, within the industry (including equal employment opportunity), and externally, in dealing with housing consumers.

5-2. THE HUD/NATIONAL ASSOCIATION OF REALTORS VOLUNTARY AFFIRMATIVE MARKETING AGREEMENT

- a. Background. The National Association of Realtors (NAR) was founded in Chicago in 1908, and today is the country's largest industry trade group, with more than 700,000 members. Participating real estate specialists include appraisers, commercial and investment brokers, farm managers, real estate security syndicators, and residential brokers and sales associates. Some eighty percent of NAR's membership is involved in single-family residential sales. The remaining twenty percent is engaged in specialty activities. The term "Realtor" was created by NAR in 1916 to identify its members, and the term is registered with the U. S. Patent and Trademark Office.

The goals of NAR are to create unity in the real estate profession, to develop and exchange information resources on real estate, to protect and promote private ownership of real property, and to establish and maintain professional standards of practice.

A comprehensive, standardized VAMA between HUD Headquarters Office of FHEO and the National Association of Realtors (NAR) was adopted by NAR at its annual convention in San Francisco on November 11, 1975. This Agreement was amended through action of the NAR Board of Directors on May 7, 1978, extended by a Memorandum of Understanding on September 11, 1987, extending the HUD/NAR VAMA through June 10, 1992. (See Appendix 12.)

All local real estate boards and their member firms are encouraged to endorse the VAMA through local HUD offices. NAR promotes the implementation of the VAMA through educational, information and assistance programs for the industry at the State and local levels.

- b. Major Provisions. The HUD/NAR VAMA provides for various advertising, educational and outreach efforts by Realtors to inform minorities of housing availability, regardless of location or source of financing. The Agreement promotes training for minorities to become professionals in the field, training in fair housing practices for all Realtors, and the institutionalization of practices and procedures that promote fair housing and ways to implement them.

The specific provisions of the Agreement include:

- (1) Affirmative marketing to home-buyers;
- (2) Developing of equal opportunity educational materials and training courses for member firm employees;
- (3) Identifying and recruiting minority brokers and sales persons;
- (4) Providing outreach and training to attract minority persons to the real estate industry;

- (5) Promoting affirmative marketing for homesellers;  
and

(6) Documenting and periodically assessing the implementation of the VAMA.

(a) Responsibilities of Each Party to the Agreement. Nationally, HUD and NAR provide interpretation and overall direction of the VAMA.

The specific obligations of NAR and HUD are outlined in a Statement of Particulars (see Appendix 13). Locally, the VAMA is implemented and operates through three parties: a signatory Board of Realtors, signatory member firms of the Board, and HUD staff in the local HUD Field Office. Each of the NAR State Associations has also adopted the VAMA as part of its leadership responsibilities in the State. NAR members in unassigned territory can become signatory to the VAMA through the State Association Agreements.

The VAMA also provides for the organization and establishment of a CHRB to assist in the resolution of any problems that impede the implementation of the VAMA.

(b) Local Real Estate Board Responsibilities:

1. Placing fair housing advertisements in a general circulation newspaper and attempts to secure the HUD-approved "Publisher's Notice" in the local press and on television;
2. Providing educational materials and training courses for member Realtors pertaining to their responsibilities under fair housing laws and the VAMA;
3. Explaining and publicizing the purposes of the VAMA to all Realtors to enhance broad participation;
4. Disseminating HUD/NAR approved antidiscrimination office procedures and

5. Encouraging minority brokers to join the local Board of Realtors;
6. Sponsoring outreach training programs to attract and qualify minority brokers and salespersons; and
7. Monitoring the VAMA's programs through the Real Estate Board's Equal Opportunity Committee (EOC).

(c) Signatory Realtor Firms' Responsibilities:

1. Placing the Equal Housing Opportunity (EHO) logo or slogan in classified advertisements of six column inches or longer (except when that page contains the "Publisher's Notice");
2. Including the FHEO logotype in all space or display advertising at least four column inches in size or larger. In display ads of less than four column inches, the Equal Housing Opportunity slogan should be used;
3. Placing the FHEO logo or slogan in all brochures;
4. Circulating in-house information on the VAMA and the Federal Fair Housing Law;
5. Displaying the HUD Fair Housing Poster in all places of business, including model homes (see Appendices 14A and 14B);
6. Recruiting minority employees as job vacancies occur;
7. Adopting office procedures, suggested by HUD and NAR, which are designed to ensure against discrimination;
8. Advising home-sellers, by means of

pamphlets, of their legal responsibility not to violate applicable fair housing laws; and

9. Monitoring the above-listed affirmative market practices.

(d) HUD Field Office Responsibilities:

1. Soliciting endorsement for the VAMA by local real estate boards in the metropolitan area or local jurisdiction;
2. Refusing to sign any independent agreement less comprehensive than that of the national VAMA;
3. Organizing a CHRB;
4. Monitoring and evaluating the implementation of the VAMA;
5. Maintaining familiarity with NAR instructions for implementing the VAMA and related Realtor materials on fair housing; and
6. Receiving technical assistance requests from local real estate boards and CHRBS for implementing the VAMA.

(e) CHRB Responsibilities:

1. Monitoring Board of Realtors and signatory firm members progress in meeting their commitments under the VAMA;
2. Assisting the Member Board with any problems which arise in the implementation of the Affirmative Marketing Agreement; and
3. Meeting annually with representatives of HUD and the Member Board to evaluate the effectiveness of the Agreement.

(f) State Association Responsibilities: Each NAR State Association has adopted the VAMA as

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part of its leadership role within the State. The following list of responsibilities is applicable to a State Association upon adoption:

1. Establishing an EO Committee to explain and publicize the purposes of the VAMA

to Member Boards;

2. Disseminating and encouraging the use of the suggested principles of office management and other educational and promotional materials by Realtors in unassigned territory as provided by the NAR;
3. Conducting at least two educational seminars annually on Fair Housing Laws and implementation of the VAMA;
4. Collecting data on program implementation within the State, and reporting annually to the NAR;
5. Adopting the NAR Code for Equal Opportunity in Housing;
6. Securing and disseminating Fair Housing posters for display in the offices of Realtors in unassigned territory; and
7. Placing HUD and NAR approved Affirmative Marketing Advertisements in either the largest general circulation newspaper in the State or the general newspaper serving the city in which the State Association Headquarters is located.

5-3. THE HUD/NATIONAL ASSOCIATION OF REAL ESTATE BROKERS  
VOLUNTARY AFFIRMATIVE MARKETING AGREEMENT

- a. Background. The National Association of Real Estate Brokers (NAREB) is the oldest minority housing industry trade association in the country. Founded in 1947, NAREB is comprised of 63 local board chapters nation-wide and its national headquarters office is located in Washington, D.C.

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NAREB was established to secure expanded rights for minorities in the real estate field, stressing high standards of professionalism, democracy in housing, and adherence to a strict code of ethics.

NAREB membership includes real estate brokers, salespersons, corporate affiliates, and property managers. Some eighty percent of its members are brokers. NAREB Realtists are all licensed real estate persons working independently with another broker who

is a current member of a local Board of Realtists. Realtist Associates are licensed real estate persons also; however, they are not current members of a local Board. Affiliates are firms and offices licensed to engage in a business field related to the real estate industry. Examples of NAREB affiliates include the National Appraisal Society, the Real Estate Management Brokers' Institute, the United Developers' Council, and the Women's Council.

To expand and extend the range of minority sales experience and responsibility, HUD negotiated a VAMA with NAREB in 1976. It was revised and redesigned in 1982, and 1990. The goal of this Agreement is for HUD and NAREB to make information and technical assistance available to the real estate industry to assist the industry in providing service which will enable all buyers and renters to have a free housing choice.

b. Provisions:

The NAREB agreement differs somewhat from other VAMAs HUD has signed with national housing industry groups in that the program requirements of the agreements are developed by NAREB at the national level, and filtered down to the members and affiliates for adoption and local implementation. Additionally, the agreement varies in that once the president of the organization signed the VAMA, all of the members, affiliates and divisions of NAREB endorsed the principles of the Agreement and became subject to its provisions. The NAREB Agreement focuses on using education, information, and outreach programs to promote fair housing through the VAMA nationally and locally. (A copy of the HUD/NAREB VAMA appears at Appendix 19.)

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c. Major Provisions.

- (1) Affirmative Marketing Program. NAREB agrees to disseminate to its members, affiliates and divisions, a statement that NAREB's commitment to this Agreement includes assurances by members that prospective homeseekers are made aware of a full range of housing locations available to a member, consistent with the financial resources of, and areas of interest of the homeseeker. Further, homeseekers are to be provided with information relevant to a purchase or rental decision, such as location of schools, transportation and services in the areas being considered, and information relating to available financing for a dwelling.

- (2) Furthering the Goals and Purposes of Fair Housing and Affirmative Action. NAREB specifically agrees to participate in media or other programs to inform the public about NAREB's commitment to fair housing. NAREB also agrees to develop public seminars and programs for the celebration of each anniversary of the enactment of the Fair Housing Act, and to utilize the unique qualities of its resources and talent to educate the public on the negatives of housing discrimination and promote the advantages of fair housing.
- (3) Promotion of VAMA Involvement. NAREB will assist HUD in encouraging members of the community to comply with the requirements of the Fair Housing Act and in promoting affirmative action. NAREB agrees to identify others, including industry, private sector and governmental groups, that need to be educated about or brought into compliance with the Fair Housing Act, and suggest to HUD others who might become party to an affirmative marketing agreement.
- (4) Advertising. NAREB members will adopt fair housing advertising techniques to assist in carrying out the provisions of the Agreement by displaying the Fair Housing Poster as prescribed by HUD in 24 CFR Part 110, and by using the HUD Equal Housing Opportunity logotype or slogan in all space advertisements in accordance with the HUD Fair Housing Advertising Regulations as set forth in 24 CFR Part 109.

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- (5) Involvement of HUD. HUD agrees to use the resources of NAREB to promote education of the real estate industry as to the requirements of the Fair Housing Act. To this end, HUD will encourage minority industry groups and all HUD program participants to do business with minorities and minority firms. HUD also agrees to provide technical assistance to NAREB in achieving the goals of the Agreement, to participate in NAREB's national and regional conferences and seminars, and to jointly develop with NAREB, materials to assist in the implementation of the Agreement.
- d. Implementation. NAREB shall form an Equal Opportunity Committee (NAREB EOC) composed of members of each of its affiliates, with a chairperson to be designated by the NAREB President. The NAREB EOC is responsible for

explaining the Agreement to the membership, publicizing the purposes of the Agreement, establishing a program to implement its provisions, maintaining a liaison with designated HUD staff, and meeting with HUD to review implementation progress under the Agreement.

- e. Suspension. Whenever there is reasonable cause to believe that a member has failed to make a good-faith effort to fulfill its responsibilities under the Agreement, the NAREB EOC shall contact the member, identify and discuss the area(s) of non-compliance, and request appropriate corrective action. Any member suspended from the Agreement shall have ten days from the effective date of the suspension to present to HUD an individual Affirmative Fair Housing Marketing Plan, in full conformity with applicable regulations, for each of the member's HUD-assisted projects.

5-4. THE HUD/NATIONAL ASSOCIATION OF HOME BUILDERS  
VOLUNTARY AFFIRMATIVE MARKETING AGREEMENT

- a. Background. The National Association of Home Builders (NAHB) represents a broad range of interests of local and State builders associations, and is organized as a federation of approximately 800 State and local builders associations around the country. NAHB includes small, moderate, and large volume home builders and multi-family and commercial builders and remodelers associated with the professionals who support many facets of the building industry. The 100,000 member NAHB includes subcontractors, retail and

wholesale dealers, architects, engineers, lenders and Realtors.

The organizational structure of the Association consists of each State and local association with its own leadership, and affiliated with NAHB. The five NAHB national Senior Officers are elected from among the builders association membership and are deeply involved in the activities of NAHB and the industry.

The policy-making body of NAHB consists of elected members from affiliated local and State builders associations. NAHB committees and councils are the major mechanism through which members are directly involved. Resolutions initiated by the committees and adopted by the NAHB Board of Directors establish and govern the policy of the Association.

NAHB constitutes a clearinghouse of information about

the building industry, communicating to its members through a newsletter, a monthly magazine, library services, professional and technical manuals, books pamphlets, and audio-visual aids. Services also include reporting economic conferences and seminars, providing technical assistance services, lobbying, conducting surveys, and preparing legislative studies.

Special interest councils affiliated with NAHB provide educational and promotional services. Included are the National Remodelers Council, the National Council of the Multi-family Housing Industry, the National Sales and Marketing Council, and the National Council of the Housing Industry.

The VAMA with the National Association of Home Builders, signed in 1976, and updated in 1984 and 1989, grew out of the Dallas plan of extending the effect of HUD's Affirmative Marketing Regulations to all aspects of metropolitan housing, including conventionally financed housing not covered by HUD regulations. It was also believed that a program of self-regulation by the home-building industry would be more effective in extending equal housing opportunity than a plethora of individual plans that would be nearly impossible to monitor. (The NAHB VAMA appears at Appendix 15.)

- b. Major Provisions. The NAHB VAMA provides for a program of public information to communicate the availability of housing and services on a non-discriminatory basis;

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guarantees that State and local builders association members that sign the agreement will display prominently the HUD Fair Housing Poster at all places of business, including model houses, and will conduct housing market analysis relative to the kinds of efforts made by the signatory builder group to reach such target groups and minorities. The NAHB VAMA also provides for Community Housing Resource Boards.

Many of the provisions of the NAHB VAMA pertaining to local builder group responsibilities and to individual firm commitments are similar to those found in the NAR VAMA. The major NAHB agreement provisions are:

- (1) Advertising and Public Information. The local builders associations are required to publicize the Voluntary Affirmative Fair Housing Program, and specifically direct information to minority communities. The builders association is also required to negotiate with local media for

donations of space for presentation of affirmative fair housing marketing advertising and publication of the HUD Publisher's Notice.

Each member of the local or State builder association that builds, markets, sells or rents residential property must include the official Fair Housing and Equal Opportunity logo, slogan, or statement in all brochures, pamphlets, and all forms of advertising. Also, such members are required to represent both majority and minority groups when using human models in display advertising.

- (2) Fair Housing Posters. Members must display and maintain the HUD Fair Housing Poster at all business locations where a dwelling is offered for sale or for rent, including model homes.
- (3) Documentation of Affirmative Marketing Efforts. Each signatory to the VAMA shall assure that its affirmative marketing activity is directed toward all segments of the population and that efforts are directed toward those groups which are not likely to seek housing marketed by them without special outreach. These efforts include maintaining a record of advertising and outreach actions taken that will demonstrate efforts to increase sales and rentals to members of minority

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groups; and housing options for both minority and majority groups; maintaining a non-discriminatory policy in the recruitment and employment of staff engaged in the sale and rental of properties.

- (4) Program Implementation. An EO Committee, established from signatories of the Agreement, is responsible for: administering and implementing the Voluntary Affirmative Fair Housing Marketing Program; explaining and publicizing the purpose of the Agreement; and meeting at least annually with Community Housing Resource Board (CHRB) membership to determine progress made under the Agreement. Each signatory must inform the CHRB, in writing, of all housing to be built, developed or marketed, at least 60 days before such housing becomes available.

The significant difference between the NAR Agreement and the NAHB Agreement is that NAHB allows for flexibility at a local level, provided

that any agreement which differs from the national model is at least as comprehensive in its commitments as the national model, is approved by the Assistant Secretary for FHEO.

5-5. THE HUD/NATIONAL ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS AGREEMENT

- a. Background. There are many real estate brokers who are not affiliated with either the National Association of Realtors or the National Association of Real Estate Brokers. However, all persons seeking to market residential real estate property have to be licensed by a State as a prerequisite for doing business. Therefore, to affect the marketing activities of unaffiliated real estate practitioners, HUD in 1977 entered into a fair housing agreement with the National Association of Real Estate License Law Officials (NARELLO), which represents all of the State real estate licensing agencies in the country. The NARELLO Affirmative Fair Housing Agreement has the dual objectives of ensuring that opportunities in the real estate field are equally available to all regardless of race, color, religion, sex, handicap, familial status or national origin, and ensuring that persons in the real estate business are informed of and held to their responsibilities under the fair housing laws. (See Appendix 16.)

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- b. Major Provisions. The NARELLO Agreement provides for the sharing of information between HUD and State agencies and the rendering of technical assistance by HUD to State agencies to further the VAMAs objectives. The VAMA places its primary focus on informing all licensees about fair housing principles and practices; providing literature on the right and remedies afforded consumers affected by fair housing laws; and encouraging minority group members to enter the real estate business.

The major provisions of the Agreement include:

- (1) A requirement that each real estate licensee and each candidate for a license receives training on fair housing principles and practices;
- (2) The inclusion of test questions on fair housing principles and practices in real estate licensing examinations;
- (3) Disciplinary action against licensees who violate

fair housing laws;

- (4) Affirmative efforts to assist minorities and women to enter the real estate business; and
- (5) Cooperation between HUD and the responsible licensing authority.

5-6. THE HUD/LOCAL APARTMENT ASSOCIATION VAMA.

- a. Background. Members of local Apartment Associations develop and manage rental housing units. Because of their influence over management policies, these apartment owners and managers have a tremendous potential for reducing housing discrimination. The Apartment Association Agreement is signed by the Area Manager, Regional Administrator, and Assistant Secretary for FHEO, or the Regional Director for FHEO if there are no changes in the agreement, and by the local Apartment Association, through signature of its officers and signatory members of the Association. (See Appendix 17.)

The standardized Apartment Association Agreement can be modified to reflect local concerns and issues, as long as the major provisions of the Agreement are not

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altered. When the National Apartment Association (NAA) VAMA is to be signed without change, the Regional Director for Fair Housing and Equal Opportunity is designated to sign for the Assistant Secretary.

If changes to the VAMA are proposed, a draft of the document must be forwarded to the headquarters office of Voluntary Compliance for approval before formal presentation to the local apartment association for adoption.

- b. Major Provisions. The Apartment Association VAMA provides for affirmative marketing advertising, through use of the fair housing poster, the equal housing opportunity logo and slogan, development of standard office procedures, promotion of minority firm membership in the local association, recruitment of minority salaried employees, development of a code of fair housing practices with HUD, publicizing the Agreement, and contracting with minority and women-owned businesses.

The VAMA also provides for the organization and establishment of a CHRB to assist in the resolution of

problems that impede VAMA implementation.

- (1) Responsibilities of Each Party to the Agreement. Nationally, HUD provides interpretation and overall direction of the VAMA. The National Apartment Association has not signed a VAMA with HUD. NAA has signed a Statement of Fair Housing Intent, supporting the provisions of the Fair Housing Act (42 U.S.C. 3600-3620), and has pledged that NAA policies and practice will continue to advance fair housing opportunities for all Americans.
- (2) Local Apartment Association Responsibilities. In addition to the responsibilities outlined at 5-6(b), Major Provisions, the Association is also responsible for the establishment of an Equal Opportunity Committee to monitor program progress, and to investigate complaints; and to meet with representatives of HUD, a local Community Housing Resource Board (CHRB) and, where present, State or local human rights agencies, to monitor progress made under this Agreement.

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- (3) Signatory Member's Responsibilities:
  - (a) Use Equal Housing Opportunity logotype in advertising brochures, circulars, billboards, direct mail advertising, and on "for rent" signs;
  - (b) Properly use human models in display advertising;
  - (c) Use affirmative marketing advertising procedures;
  - (d) Require its associates to comply with this Agreement and with Fair Housing Laws; and
  - (e) Affirmatively recruit minority salaried employees.
- (4) HUD's Responsibilities:
  - (a) Provide technical assistance to the Association upon request;
  - (b) Designate specific Field office personnel to provide technical assistance;

- (c) Establish a CHRB, if none exist, to assist the local association and HUD in the implementation of the Agreement; and
  - (d) Meet with the Association, CHRB and State or local human rights agency annually to evaluate implementation progress.
- (5) CHRB Responsibilities:
- (a) Monitor rental association and signatory members' progress in meeting their commitments under the VAMA;
  - (b) Assist the association with any problems with implementation; and
  - (c) Meet annually with representatives of HUD and the Association to evaluate the effectiveness of the Agreement locally.

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5-7. FAIR HOUSING STATEMENTS OF INTENT. In 1987, the Office of Fair Housing and Equal Opportunity embarked upon a program of expansion for the voluntary affirmative marketing initiatives with national housing industry groups. The expansion effort is designed to increase the number of housing industry groups involved in the VAMA program with the Department, and to increase the level of involvement of those currently participating in the program.

FHEO decided to seek the increased involvement of current and new industry participants in a two-phase procedure. One involves the signing of a Statement of Intent. The Statement is a pledge on the part of the industry group to either begin work with HUD to develop a fair housing agreement designed to advance equal housing opportunities, or to work with the Department to further the implementation of a current Agreement.

When HUD renewed the VAMA with the National Association of Realtors in 1987, five housing industry groups also signed Statements of Fair Housing Intent. Included in the signing were the National Association of Home Builders, the National Apartment Association, the National Association of Real Estate Brokers, the National Leased Housing Association, and Century 21 Real Estate Corporation.

Copies of the Statements are included at Appendix 18, and they serve as the framework for additional work with these organizations to involve their membership in a nationwide initiative to achieve equal housing opportunity.

HUD hopes to gain the commitment of many other housing industry groups in this program and to expand the public/private industry partnership for fair housing to include every aspect of the industry.

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