

NAR Issue Summaries

Fair Housing / Housing Choice Vouchers (formerly Section 8) and SOI

NAR Committee:

Federal Financing and Housing Policy Committee

What is the fundamental issue?

Should NAR support equal opportunity on the basis of Source of Income, particularly related to the use of rental vouchers, such as Housing Choice (formerly Section 8) vouchers? HUD and Fair Housing organizations have long cited discrimination based on the use of Housing Choice vouchers as both a problem in itself and on occasion as a proxy for discrimination based on race or other basis prohibited by the Fair Housing Act. HUD has also cited discrimination based on the use of Housing Choice vouchers as a factor that may contribute to fair housing issues in a community. Some property managers report that acceptance of Housing Choice vouchers brings with it additional requirements imposed by the local housing authority and HUD. These include special lease provisions and additional property inspection requirements. Others report difficulty in getting payments and in evicting tenants who violate their leases.

I am a real estate professional. What does this mean for my business?

Addition protections based on the use of Housing Choice and other vouchers could add additional requirements for special lease provisions or inspections. Additional protected groups under the Fair Housing Act requires new training and in some cases changes to procedures.

NAR Policy:

NAR opposes proposals to mandate housing voucher acceptance for landlords. The Institute for Real Estate Management (IREM) has further examined the issue and has the following policy:

IREM is supportive of the concept of government assisted housing practices. Affordable housing opportunities should be available to all citizens. There are many opportunities for the government and property owners and managers to work together to provide adequate, affordable housing to citizens. Involvement in these opportunities, however, should not be mandated by any level of government, whether it be local, state, or federal. The selection of tenants and the terms of the contractual relationship are the function of the property owner or manager, not the government. Allowing certain tenants to have different (government-mandated) provisions included in their leases is unfair to all residents of the property.

There are many valid, nondiscriminatory reasons for not participating in the Section 8 program. Participation in the program requires a property owner to sacrifice many private property rights and forces the operator to comply with burdensome government regulations and procedures which can seriously compromise the performance and financial viability of a property, which may include: entering into housing assistance payment contracts, amendments of landlord's leases, and compliance with additional required regulations not normally attendant to conventional housing. IREM recognizes that some of the regulations and logistical burdens attendant to tenant-based Section 8 tenancies needlessly inhibit private participation in the program. IREM encourages HUD and Public Housing Authorities to eliminate those burdens inconsistent with conventional housing practices.

It is the position of IREM that legislation in the states mentioned in the background, directly undermine the voluntary nature of the Section 8 program set forth by the federal government. We strongly oppose any such policies that require owners of private housing to surrender their property rights.

Opposition Arguments:

Those in favor of addition fair housing protections for those using Housing Choice and other vouchers point out that discrimination against their use limits affordable housing options for low income persons, concentrates poverty, and often disguises racial or other discrimination. Those opposed to addition of fair housing protections for those using Housing Choice and other vouchers argue that the additional requirements imposed by HUD and local housing authorities are burdensome, that evictions of tenants who violate their lease are made extremely difficult, and it imposes a requirement to participate in a federal program that is defined to be voluntary.

Legislative/Regulatory Status/Outlook

No actions at this time.

Current Legislation/Regulation (bill number or regulation)

No actions at this time.

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