

REALTORS® Help Potential Homeowners Overcome Obstacles

REALTORS® make homeownership happen. By tapping into programs to promote fair housing, increase cultural diversity and remove financial obstacles to affordability for buyers, REALTORS® ensure that the "American Dream" is attainable for individuals in all walks of life.

Are you aware of the many programs that can help your clients buy a home and live their dream?

Fair Housing

The National Association of REALTORS® firmly supports the principle of fair housing for all. Laws supporting fair housing include the Civil Rights Act of 1866, The Fair Housing Act, The Americans with Disabilities Act, The Equal Credit Opportunity Act, and various state and local laws. Agents in a real estate transaction are prohibited by law from discriminating on the basis of race, color, religion, sex, handicap, familial status or national origin. A request from a home seller or landlord to act in a discriminatory manner in a sale, lease or rental cannot legally be fulfilled by the real estate professional.

As REALTORS®, we are committed to complying with fair housing law. People have a right to live wherever they can afford to live and REALTORS® have an obligation to protect that right.

- N.A.R. has developed a **Fair Housing Program** to provide resources and guidance to REALTORS® in ensuring equal professional services for all people. N.A.R. members identify themselves as REALTORS® and adhere in both spirit and letter to a strict code of ethics. (For more details on this program, visit www.onerealtorplace.com and search on the term "Fair Housing Program.")
- N.A.R. and HUD have developed a model **Fair Housing Partnership** to promote cooperation on fair housing issues between the real estate industry, fair housing groups and government. The voluntary partnership looks to identify fair housing issues and concerns and jointly develops and implements solutions. This partnership serves as a national model that can be replicated at the local level. (For more details on this program, visit www.onerealtorplace.com and search on the term "Fair Housing Partnership.")
- **Courses** on fair housing and diversity [link to below] issues ensure REALTOR® knowledge, understanding and compliance. W.A.R. will next offer "**Federal Regulation of Real Estate: Fair Housing/Anti-Trust**" for 7.5 clock hours on **Nov. 2** in Tacoma, sponsored by the Tacoma-Pierce County Association, (253) 473-0232. To register, contact W.A.R. at 800-748-7053, or visit www.warealtor.com/t3.htm.
- The Washington State Housing Finance Commission offers the **HomeChoice** ownership program for people with disabilities or borrowers with a dependent with a disability, and the **House Key Extra** homeownership program for people with disabilities or borrowers with a dependent with a disability living in rural areas. Details are available at the [WSHFC website](http://www.wshfc.com).
- Around the country, REALTORS® host fairs and sponsor television and radio shows in celebration of **National Homeownership Week**, which runs June 3-10 this year. The annual event is sponsored by a coalition of more than 65 public and private groups, including NAR and HUD, called the National Partners in Homeownership. The coalition's goal is to encourage homeownership, which now stands at a record 67.1 percent of all households. For more information contact [Christine Windle](mailto:Christine.Windle@hud.gov) (202)383-1268. For background info from HUD, click here: <http://www.hud.gov/fha/sfh/nhs/partners.html>.

Cultural Diversity

REALTORS® have a vision of our members as the leaders in a culturally diverse real estate environment. The marketplace is quickly becoming more diverse, and immigrants and minorities will be a major source of future business for the real estate community.

According to a recent N.A.R. study, Minority households are increasing steadily, but there remains a gap in ownership rates between minority households and white households. Immigrants buy homes at a quicker rate than U.S.-born minorities, but are more likely to be uninformed about the home-buying process. Education about the home purchase process is a key factor in raising homeownership rates among native-born minorities and foreign-born immigrants.

To achieve its vision for leadership, the association has a comprehensive strategy to break down barriers to homeownership:

- N.A.R.'s "**At Home with Diversity: One America**," is an award-winning, nationally recognized fair housing and diversity training program for REALTORS®. The certification program was developed in 1998 in conjunction with the U.S. Department of Housing and Urban Development (HUD). It trains real estate licensees to effectively reach out to all racial and ethnic groups in their communities, and encourages more people of diverse ethnic backgrounds to become real estate practitioners. (For more details about N.A.R.'s diversity programs, visit www.onerealtorplace.com and search on the terms "One America" or "diversity.") A new training program for instructors was unveiled this year; for information on becoming an instructor, email diversity@realtors.org.
- **W.A.R.** regularly offers the "**At Home with Diversity**" course. The next scheduled class is slated for **June 22**, sponsored by the Spokane Association at 1924 N. Ash St., Spokane, WA 99205; (509) 326-9222. REALTORS® earn 7.5 clock hours, the "At Home with Diversity" certificate, and the right to use the logos for One America and HUD. To register, contact W.A.R. at 800-748-7053, or visit www.warealtor.com/t3.htm.
- The Equal Opportunity Cultural Diversity Committee approved a recommendation for N.A.R. to develop opportunities for **diversity networking** at N.A.R. meetings and pilot-tested local areas (Baltimore, Houston and Los Angeles) in 2000. Diversity networking is designed to help identify and address the business and political issues faced by minority members and to help increase diversity in the real estate profession.

Affordability/Low-Income Help

Affordability is a key issue for many potential home buyers. But, with knowledge and guidance from REALTORS®, financial concerns can be addressed and the dream of homeownership realized.

In 1999, more Americans owned their own homes than ever in history. The overall ownership rate for 1999 was 66.8 percent. Yet, there continues to be a need for increased cooperation among local, state and national housing organizations to expand homeownership opportunities, especially for first-time buyers. Today's first-time buyer typically has about 78 percent of the income needed to buy a home. As a result, many turn to adjustable rate loans to make homeownership a reality.

"We have great programs for first-time, low-income and handicapped homebuyers," said Vice President for Government Affairs Donna Dilger. "Washington really has good loan programs. Housing stock is the difficulty—it is difficult to build and maintain affordable homes in most areas of Washington... and if you don't sell to the entry-level buyer, they can't move up the ladder to become second- and third-home buyers. We need to keep Congress and state elected officials abreast of the costs associated with affordability, and we then might be able to get some relief in this area."

- N.A.R. applauds Congress for helping make **Federal Housing Administration (FHA) mortgages** more accessible and affordable. By approving the 1999 HUD appropriations bill, Congress raised FHA mortgage insurance limits to a minimum of \$121,296 and a maximum of \$219,849. This adjustment allows FHA to meet the needs to prospective buyers who don't qualify for conventional financing. (For more details, visit www.onerealtorplace.com and search on the term "affordability.")
- **Taxes** that took effect January 1998 continue to help some first-time buyers. The law permits entry-level buyers to take penalty-free withdrawals of up to \$10,000 from tax-deferred retirement savings to be used for home purchases. The law applies to Individual Retirement Accounts (IRAs) and allows withdrawals from the IRAs of relatives to be used toward the purchase as long as the total sum does not exceed \$10,000. (For more details, visit www.onerealtorplace.com and search on the term "affordability.")
- W.A.R. offers a **course, "FHA 2000,"** designed for real estate professionals including agents, lenders, home inspectors and appraisers. The 7.5-clock-hour course covers the July 1 new HUD handbook, 4150.2, effective Sept. 10, 1999. Updates on property requirements for FHA loans, required forms and information on how to determine if a home inspection is required will be discussed. **Scheduled class dates** include **Aug. 11**-Clark County Association, Vancouver. **Sept. 8**-Cowlitz County Association, Longview. **Sept. 14**-Yakima Association, Yakima. **Sept. 28**-Spokane Association, Spokane. To register, contact W.A.R. at 800-748-7053, or visit www.warealtor.com/t3.htm.
- Washington State's **House Key** and **House Key Plus** programs. The House Key Program offers low-interest rate loans for first-time buyers, and homebuyers in targeted areas; the current interest rate is 7.55 percent with two points. The House Key Plus Program provides down payment and closing cost assistance, borrowers can borrow up to \$2,000 or \$5,000 depending upon income, the interest rate is 5 percent with a 10-year loan. For more details about these programs, free seminars and additional information for homebuyers, visit [The Washington State Housing Finance Commission](http://www.wshfc.com) website. Call 800-739-4692.
- **Additional help** for first-time homebuyers is available from: **The Community Home Ownership Center**, a nonprofit referral service with information for low- to moderate-income first-time homebuyers; (206) 587-5641 or 800-317-2918. **The Washington Community Housing Network**, a nonprofit, offers free seminars and confidential assistance with credit problems; 800-739-4692. **HomeSight**, a nonprofit organization serving Seattle, South King and Snohomish counties, offers counseling, down-payment assistance, and free twice-monthly classes; 888-749-HOME or (206) 723-4355. **Washington Affordable Housing**, a nonprofit organization presents free weekly, state-certified seminars; participants qualify for loan-fee discounts; (425) 468-8690.
- The June 4, 2000, edition of *The Seattle Times* offered **articles** about and **resources** for first-time homebuyers, search the paper's archive at <http://archives.seattletimes.com/web/index.html>. Additional articles on related topics—such as government regulations adding to home price "sticker shock," rising housing prices, grants and loans turning renters into owners—also can be found in the paper's archives.

HUD also has proposed increasing **Fannie Mae/Freddie Mac affordable housing goals** for the years 2000-2003. As program regulator, HUD is authorized to review and revise the number of loans that fund housing for borrowers with incomes below the area median incomes and investment in low-income rental housing. N.A.R. has supported previous Government Sponsored Enterprise affordable housing goals. N.A.R. reviewed the proposed regulation and commented to HUD, which will issue a final regulation later this year after reviewing all comments. (For more details, visit www.onerealtorplace.com and search on the term "low income.") Posted 6/7/00. Archived 6/30/00.

Add to our listing of programs to increase homeownership opportunities by contacting Washington REALTOR® Online Editor [Monica Walk](mailto:Monica.Walk@realtors.org).