

A Fair Housing Month Discussion

[Speaker 1]

If I asked you to guess the number one cause of housing discrimination complaints in America today, you know, 57 years after the Fair Housing Act was passed, you would probably guess race.

[Speaker 2]

Oh, absolutely. I mean, given the whole history of the civil rights movement and, you know, the really deep scars of redlining, it definitely feels like the obvious answer.

[Speaker 1]

Right. But you'd be wrong by a massive margin, actually. So welcome to our discussion.

[Speaker 2]

Thank you. Yeah, it really is a staggering reality check when you pull back the curtain on the actual data today.

[Speaker 1]

It really is. And the topic today centers around April, which is Fair Housing Month.

[Speaker 2]

Right.

[Speaker 1]

So the mission in this discussion is to kind of explore the lingering legacy of that 1968 Fair Housing Act. We're going to look at how real estate professionals are, you know, actively deploying psychological tools to train out their own biases.

[Speaker 2]

Which is fascinating all on its own.

[Speaker 1]

Exactly. And then we're going to unpack some truly shocking data from 2025 that shows exactly why this battlefield is, well, it's far from quiet.

[Speaker 2]

Yeah. The 1968 Act. I mean, it fundamentally rewired the American real estate market.

It was born out of the civil rights movement, obviously, and it legally mandated fair treatment.

[Speaker 1]

Right. Officially outlawing discrimination based on race, color, religion, national origin and familial status.

[Speaker 2]

Exactly. And it wasn't just about penalizing the bad actors. It was really a massive attempt to stimulate a transparent market and just empower inclusive neighborhoods.

[Speaker 1]

And just to clarify for you listening, when the law specifies familial status, it's explicitly protecting pregnant women or families with children.

[Speaker 2]

Right. A lot of people don't realize that.

[Speaker 1]

Yeah. It prevents landlords from enforcing arbitrary, like adults only rules in standard apartment buildings or, you know, refusing to rent a three bedroom house to a family just because they have kids.

[Speaker 2]

Which used to happen all the time.

[Speaker 1]

Exactly. It set a baseline standard. But when you realize the sheer scale of the 1968 Act, you start to understand why real estate professionals can't just memorize the law once and move on.

[Speaker 2]

No, definitely not. It requires really active, continuous retraining, which is exactly why the National Association of Realtors uses April to push some incredibly proactive tools.

[Speaker 1]

They really do. And the methodology they're using now, I mean, it is miles ahead of the old standard of just, you know, reading a dry textbook and taking a multiple choice quiz.

[Speaker 2]

Yes, for sure. They utilize this program called Fairhaven 2.0 now. It's available to all 1.4 million members. Wow. Yeah. And it's this highly immersive online simulation.

So agents step into a fictional town and they're basically forced to navigate these really complex realistic scenarios under pressure.

[Speaker 1]

Let's actually give a tangible example of how that works. So in the simulation, an agent might be paired with a fictional client who casually says, I only want to look at homes in neighborhoods with people who share my background.

[Speaker 2]

Right. A classic steering scenario.

[Speaker 1]

Exactly. And the simulation forces the agent to respond in real time. Like, do they awkwardly agree just to secure the commission?

Do they try to steer the client?

[Speaker 2]

Or do they know how to properly and professionally reset that boundary?

[Speaker 1]

Yes. And explain that they're legally bound to show homes based on objective criteria, you know, like price and square footage, not demographics.

[Speaker 2]

And the simulation actually grades them on that exact tension. It measures how well the agent adheres to fair housing principles when the financial or social pressure is really dialed up.

[Speaker 1]

Which is so much better than a quiz.

[Speaker 2]

It really is. And they pair that practical simulation with a psychological training program called Bias Override.

[Speaker 1]

Oh, right.

[Speaker 2]

Yeah. And the core premise of Bias Override is just acknowledging that the vast majority of real estate professionals genuinely want to abide by the law. Like malicious intentional discrimination is actually pretty rare.

[Speaker 1]

But the subconscious shortcuts our brains take are incredibly common.

[Speaker 2]

Precisely. The brain just naturally categorizes information to save energy, right? Which leads directly to implicit bias.

[Speaker 1]

Right.

[Speaker 2]

So an agent might unconsciously assume a young single minority client can't afford a premium listing. So they only show them properties in lower income areas.

[Speaker 1]

Even though they aren't doing it out of overt malice.

[Speaker 2]

Right. They're just relying on a flawed mental shortcut. So Bias Override teaches agents to recognize those physiological triggers like rushing or feeling stressed.

[Speaker 1]

Because that's when we rely on stereotypes the most.

[Speaker 2]

Exactly. And it gives them tactics to just pause and override that instinct.

[Speaker 1]

It essentially shifts the whole industry standard of care. A perfect illustration of that shift is the transition from the Golden Rule to what they call the Platinum Rule.

[Speaker 2]

Oh yeah. The Platinum Rule is a great concept.

[Speaker 1]

It really is. I mean, the Golden Rule teaches us to treat others the way we want to be treated. But the Platinum Rule demands more.

It dictates that you treat everyone how they want to be treated.

[Speaker 2]

Which is a huge distinction.

[Speaker 1]

It is. It requires you to actually listen and adapt your service to a client's unique cultural background or physical needs rather than just projecting your own preferences onto them. And honestly, whether you're a seasoned agent or brand new, brushing up on this is vital.

I mean, if someone is looking for education or continuing education, the courses offered throughout April are great. And even Apex offers a two-hour fair housing course.

[Speaker 2]

That's a great resource.

[Speaker 1]

It's exactly the kind of training that prevents those subconscious errors. But this brings us to a really uncomfortable transition.

[Speaker 2]

Yeah, it does. Because the proactive education is fantastic, right? But it forces us to confront this harsh reality.

[Speaker 1]

Right. We have all these advanced digital simulations, psychological bias training, massive industry awareness campaigns.

[Speaker 2]

And yet why, nearly 60 years after the Fair Housing Act, are the complaint numbers still astronomical?

[Speaker 1]

To answer that, we have to synthesize the newly released 2025 National Fair Housing Alliance, or NFHA, trends report.

[Speaker 2]

Yes.

[Speaker 1]

Because this data completely shatters the narrative that housing discrimination is a thing of the past. I mean, in 2024 alone, there were 32,321 reported complaints of housing discrimination.

[Speaker 2]

It's a massive number.

[Speaker 1]

Yeah.

[Speaker 2]

And when you drill down into the mechanics of those 32,000 complaints, we return right to your opening point.

[Speaker 1]

About race not being the top factor.

[Speaker 2]

Right. Race and national origin do not make up the majority. Disability-related complaints account for an overwhelming 54.59% of all cases filed.

[Speaker 1]

That is over half the cases in the entire country.

[Speaker 2]

Over half.

[Speaker 1]

And to understand how this is happening, you know, we have to look past the cartoon idea of landlords twirling their mustaches and actively hating people with disabilities.

[Speaker 2]

Right. It's rarely that overt.

[Speaker 1]

Often, this discrimination takes the form of just bureaucratic stubbornness. Like a property manager flat out refusing to let a tenant install a legally required wheelchair ramp at their own expense.

[Speaker 2]

Or, or it's a leasing office rejecting a tenant with a legally mandated service animal because they have this rigid no pets policy.

[Speaker 1]

And they just refuse to grasp the legal distinction between a pet and a service animal.

[Speaker 2]

That is the exact mechanism driving the majority of these numbers. It's just a widespread failure to provide reasonable accommodations. Wow.

But, you know, while disability dominates the pie chart, we are seeing alarming spikes in other demographics too.

[Speaker 1]

Yeah, the report noted national origin, right?

[Speaker 2]

Complaints based on national origin hit 1,836 cases in 2024. Which is huge. It is.

That's an 8.45% increase from the previous year, making it the highest volume of national origin complaints recorded since 2018.

[Speaker 1]

But the metric that really stands out to me the most in this report is retaliation.

[Speaker 2]

Oh, the retaliation numbers are terrifying.

[Speaker 1]

They are. The report shows retaliation complaints more than doubled. They jumped from 234 in 2023 to 472 in 2024.

[Speaker 2]

Which indicates a really severe chilling effect across the market.

[Speaker 1]

Exactly. I mean, if a tenant knows that asking for a reasonable accommodation like that wheelchair ramp we mentioned or reporting a fair housing violation is going to result in a sudden eviction notice or just extreme hostility from their landlord.

[Speaker 2]

They're far less likely to ever pick up the phone.

[Speaker 1]

Right. It weaponizes the fear of homelessness against the tenant. Retaliation is literally designed to silence the vulnerable before they can even access the legal system.

[Speaker 2]

That's exactly what it does.

[Speaker 1]

But wait, I'm looking at these top line numbers again and something isn't adding up.

[Speaker 2]

Oh, the total volume drop.

[Speaker 1]

Yeah. The report explicitly notes there were 34,150 complaints in 2023 and then 32,321 in 2024. So that is a drop of roughly 5%.

[Speaker 2]

It is.

[Speaker 1]

At first glance, you know, a 5% decrease looks like a win. But knowing how retaliation is spiking and national origin complaints are climbing, I'm guessing that drop is not because discrimination is just magically vanishing.

[Speaker 2]

No, definitely not.

[Speaker 1]

So is there a blind spot in how this data is being collected?

[Speaker 2]

It's a huge blind spot. It looks like a win until you actually look at who is answering the phones. Okay.

The decrease in recorded complaints is absolutely not due to a safer housing market. According to the NFHA report, it is the direct result of a collapsing infrastructure.

[Speaker 1]

A collapsing infrastructure. Yeah.

[Speaker 2]

The capacity to simply process the complaints has been artificially constrained.

[Speaker 1]

Meaning the discrimination is still happening? There's just literally no one left to file the paperwork?

[Speaker 2]

Exactly. To grasp the severity of this, you have to understand the actual backbone of fair housing enforcement in the United States.

[Speaker 1]

Okay. Lay it out.

[Speaker 2]

Well, because the Fair Housing Act is a federal law, people naturally assume the federal government does all the heavy lifting.

[Speaker 1]

Right. I'd assume the Department of Housing and Urban Development or HUD or the Department of Justice are out there investigating every claim.

[Speaker 2]

Which would be the logical assumption for a federal mandate. Yeah. But the data tells a completely different story.

Really? Yeah. In 2024, private nonprofit groups known as Fair Housing Organizations or FHOs shouldered the absolute bulk of the work.

[Speaker 1]

Private nonprofits?

[Speaker 2]

Yes. These private nonprofits processed over 74% of all fair housing complaints in the whole country.

[Speaker 1]

Over 74%. That's wild. What about the government?

[Speaker 2]

State and local agencies handled about 21%. HUD handled just 4.85%. Wow. And the Department of Justice, they handled a microscopic 0.14%. You're kidding.

[Speaker 1]

So nearly three quarters of the entire national enforcement infrastructure rests entirely on the shoulders of local private nonprofits. It does. How do those nonprofits even conduct these investigations?

I mean, they don't have federal badges to go knocking on doors.

[Speaker 2]

No, they don't. So they rely heavily on a mechanism called paired testing. What's that?

Let's say a nonprofit receives a tip that a leasing office is discriminating based on race. The FHO will send in two undercover testers, one white, one black.

[Speaker 1]

Like secret shoppers?

[Speaker 2]

Exactly like secret shoppers. Both testers are given identical financial profiles. They have the same fabricated credit score, the same income, same job title, same rental history.

[Speaker 1]

So the only difference is their race.

[Speaker 2]

Right. And if the white tester is offered a lower deposit, shown better units, and warmly welcomed, while the black tester is told there are no vacancies and subjected to rigorous background checks.

[Speaker 1]

Then the FHO has clear, undeniable evidence of discrimination to file a complaint.

[Speaker 2]

Exactly. It's incredibly effective.

[Speaker 1]

But organizing paired testing, training the testers, and building the legal cases, that requires immense resources.

[Speaker 2]

Immense resources.

[Speaker 1]

So if 74% of the entire national system relies on these nonprofits, then the system is entirely at the mercy of their funding.

[Speaker 2]

Which is exactly where that 5% drop in complaints originates.

[Speaker 1]

Ah, okay.

[Speaker 2]

Yeah. Beginning in early 2025, these vital nonprofits faced severe systemic funding disruptions. Federal grants were delayed or just cut, forcing many of these organizations to either drastically reduce their investigative staff or close their doors entirely.

[Speaker 1]

Oh, I see. So if the people running the paired tests go out of business, the recorded complaints drop, even if the actual discrimination remains constant.

[Speaker 2]

You hit the nail on the head.

[Speaker 1]

Now, looking at the structural changes happening right now to that funding, we are entering a highly political landscape. And just as a quick reminder to you listening, our goal here is absolutely not to take a political side or endorse a specific viewpoint.

[Speaker 2]

Right, exactly.

[Speaker 1]

We are strictly and impartially unpacking what the 2025 NFHA Trends Report says is happening to this infrastructure, completely regardless of political affiliation.

[Speaker 2]

That framing is essential because the authors of the NFHA report explicitly attribute this infrastructure collapse to the current political environment.

[Speaker 1]

Okay, what do they point to specifically?

[Speaker 2]

The report cites the Heritage Foundation's Project 2025 framework and the actions of the second Trump administration. According to the sources, the administration is actively deconstructing the administrative infrastructure that federal agencies use to oversee civil rights.

[Speaker 1]

And what are the specific mechanisms of that deconstruction, according to the NFHA?

[Speaker 2]

The report details active, intentional reductions in federal fair housing enforcement. It points to severe cuts in HUD staffing, the closing of HUD and Federal Housing Finance Agency regional offices, and the rolling back of diversity, equity, inclusion, and accessibility initiatives.

[Speaker 1]

I see.

[Speaker 2]

Yeah, the NFHA argues these actions are part of a deliberate policy shift to defund fair housing enforcement mechanisms at the federal level, which then strips vital resources away from the local fair housing groups doing 74% of the work.

[Speaker 1]

It's basically like firing the referees in the third quarter of a football game.

[Speaker 2]

That's a great way to put it.

[Speaker 1]

I mean, the rulebook still exists, right? And everyone on the field theoretically knows what a holding penalty is. But the players quickly realize there is literally no one left to throw a penalty flag.

Technically, the 1968 law is still perfectly on the books. But practically, if the investigators are defunded and the federal offices are closed, there are zero consequences for breaking the rules.

[Speaker 2]

That captures the NFHA's concern perfectly. The Fair Housing Act, still firmly in place as a legal concept, but the physical mechanisms required to enforce it, the paired testers, the nonprofit case managers, the federal oversight, they're being systematically dismantled.

[Speaker 1]

Which honestly brings a massive sense of urgency to the proactive side of the industry we were talking about earlier.

[Speaker 2]
Oh, absolutely.

[Speaker 1]
Because if the external watchdogs are losing their funding and closing their doors, the internal education, you know, the bias overwrite training and the Fairhaven simulations, that basically becomes the last line of defense.

[Speaker 2]
It really does. The real estate industry has to relentlessly self-police its own biases because the infrastructure to catch the bad actors is collapsing.

[Speaker 1]
It creates a highly precarious environment.

[Speaker 2]
It does. We're basically watching historical laws that were meant to protect the most vulnerable populations clash with a reality where retaliation is rising, discrimination against people with disabilities is massive, and the enforcement infrastructure is starved of resources.

[Speaker 1]
You know, you might be listening to this and wondering why this matters to you if you aren't currently in the market to buy or rent a home.

[Speaker 2]
Right. People often tune out if they aren't house hunting.

[Speaker 1]
Exactly. But it matters because housing is the foundational building block of absolutely everything else in society.

[Speaker 2]
It's the root of it all.

[Speaker 1]
It really is. Where you are allowed to live dictates your access to good schools. It dictates the safety of your neighborhood, your proximity to healthy food, your commute to a good job, and your ability to build generational wealth.

[Speaker 2]
It is the literal geography of opportunity.

[Speaker 1]
I love that phrase, geography of opportunity. When fair housing fails, equitable opportunity across the entire board fails right along with it.

[Speaker 2]

And when discrimination is allowed to dictate that geography, it creates these systemic divines like economic and social sinkholes that take generations to heal. I mean, we are still repairing the damage from the redlining of the 1930s.

[Speaker 1]

We really are. And I actually want to leave you with one final provocative thought that really stood out from the sources today because, well, the landscape is about to get even more complicated.

[Speaker 2]

Oh, you're talking about the AI section.

[Speaker 1]

Yes. At the very end of the NFHA report, there's this brief section pointing to the near future titled AI and Fair Housing, Access, Equity, and Affordability.

[Speaker 2]

It's such a crucial point.

[Speaker 1]

It is. We've spent this whole discussion talking about human bias. We've talked about agents taking bias override classes to fix subconscious mental shortcuts and landlords stubbornly refusing wheelchair ramps.

But we are rapidly moving into a world where automated algorithms and artificial intelligence are taking over tenant screening, background checks, and mortgage approvals.

[Speaker 2]

And it's an incredibly concerning frontier when you understand how these algorithms actually function.

[Speaker 1]

Right. Because they don't just magically invent criteria out of thin air.

[Speaker 2]

No. They learn by analyzing massive sets of historical data. And our historical housing data is inherently flawed.

[Speaker 1]

Deeply flawed.

[Speaker 2]

Yeah. So if an AI model is trained on decades of data where minority applicants were systematically denied mortgages due to redlining, the algorithm just learns that denying those applicants is the quote unquote correct pattern. Wow.

You can organically recreate 1950s redlining without ever explicitly being programmed to look at race.

[Speaker 1]

That is terrifying. So I want you to ponder this. If human biases are already this incredibly hard to police, especially with a defunded enforcement infrastructure and nonprofits shutting their doors left and right, what happens when the machines take over?

[Speaker 2]

It's the big question.

[Speaker 1]

When a black box algorithm denies your next rental application or denies a family a mortgage, how do you prove discrimination?

[Speaker 2]

You can't just send a paired tester into an algorithm.

[Speaker 1]

Exactly. If we are currently firing the human referees of fair housing, who is going to be left with the authority and the funding to audit the algorithms?

[Speaker 2]

It's definitely something we all need to keep an eye on as this technology integrates into our daily lives.

[Speaker 1]

It really is. Well, thank you so much for joining us for the topic today. Keep looking closely at those foundations and we'll catch you next time.

Colorado Broker Podcast from Apex Real Estate School