

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 10297]
April 26, 1989

Fair Housing Advertising and Poster Requirements

To All State Member Banks, and Others Concerned,
in the Second Federal Reserve District:

On March 20, 1989, the Board of Governors of the Federal Reserve System updated its fair housing advertising and poster requirements to reflect the 1988 amendments to the Fair Housing Act ("Act"). The Act prohibits discrimination in the rental, sale and financing of housing on the basis of race, national origin, color, religion, sex, handicap, or familial status. The latter two classes were added by the 1988 amendments to the Act. In addition to providing guidance on nondiscriminatory advertising, the Board's fair housing order includes the text of an equal housing lender poster that must be publicly displayed by State member banks.

The actual posters will be distributed to State member banks under separate cover. In the meantime, banks may continue to display the current poster.

Printed below is the complete text of the Board's order, which has been reprinted from the *Federal Register* of March 21, 1989. Questions regarding this matter may be directed to our Compliance Examinations Department (Tel. No. 212-720-5914).

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

Fair Housing Advertising and Poster Requirements

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Order.

SUMMARY: The Board is updating its fair housing advertising and fair housing poster requirements for state member banks to reflect the 1988 amendments to the Fair Housing Act.

EFFECTIVE DATE: March 20, 1989.

FOR FURTHER INFORMATION CONTACT: Adrienne D. Hurt, Senior Attorney, Division of Consumer and Community Affairs, at (202) 452-2412; for the hearing impaired only, contact Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf, at (202) 452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: *Background.* In the early 1970s, the

Board issued an order on the advertising of residential mortgage loans by state member banks to ensure compliance with the Fair Housing Act of 1968, 42 U.S.C. 3601-3619. (36 FR 25,168 (1971), amended 37 FR 8578 (1972)) (The Fair Housing Act prohibits discrimination in the rental, sale and financing of housing on the basis of race, national origin, color, religion, sex, handicap, or familial status. The latter two classes were added by the 1988 amendments to the act.) In addition to providing guidance on nondiscriminatory advertising, the Board's fair housing order includes the text of an equal housing lender poster that must be publicly displayed by state member banks. The display of a fair housing poster is required under the Department of Housing and Urban Development (HUD) fair housing regulation, 12 CFR 110.25, which also provides that HUD may grant a waiver permitting the substitution of a poster prescribed by a federal financial regulatory agency. Such a waiver has been granted.

The Board's order and poster were last updated in 1978 to reflect amendments to the Fair Housing Act and to make reference to the Equal Credit Opportunity Act, 15 U.S.C. 1691-1691f (43 FR 22,444 (1978)). The Equal Credit Opportunity Act prohibits discrimination in any aspect of a credit transaction on the basis of race, color, national origin, sex, marital status, age, religion; because all or part of a credit applicant's income is derived from public assistance; or because the credit applicant has in good faith exercised any right under the Consumer Credit Protection Act.

In September 1988, amendments to the Fair Housing Act were enacted into law, to take effect March 12, 1989 (Pub. L. No. 100-430, 102 Stat. 1619). In addition to adding new protected classes (handicapped persons and families with children under the age of 18), the amendments expand the prohibitions in section 805 of the act. As amended, the section prohibits discrimination in any residential real estate-related

(OVER)

transaction. Previously this section referred to discrimination in financing, and to loans for the purchase, construction, improvement, repair or maintenance of a dwelling. The term residential real estate-related transaction includes any transaction secured by a dwelling (such as home equity lines of credit). The amendments to section 805 also expand it to apply to the selling, brokering, and appraising of residential real property and to secondary market activities.

The Board has made technical revisions updating its fair housing advertising order—including the poster requirement—to reflect the 1988 amendments. Copies of the new fair housing poster will be distributed to state member banks through the Federal Reserve Banks. Banks may continue to display the current poster until they receive the new poster.

The Board's order is revised to read as follows:

Fair Housing and Advertising Poster Requirements

1. Nondiscriminatory Advertising

(a) A state member bank that directly or through third parties engages in any form of advertising of any loan for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling (as defined in section 3 of this order) or any loan secured by a dwelling shall prominently indicate in such advertisement, in a manner appropriate to the advertising medium and format utilized, that the bank makes such loans without regard to race, color, religion, sex, or national origin, handicap, or familial status (having children under the age of 18).

(1) With respect to a written or visual advertisement, this requirement may be satisfied by including in the advertisement a facsimile of logotype with the equal housing lender legend contained in the Equal Housing Lender

Poster prescribed in section 2 of this order.

(2) With respect to an oral advertisement, this requirement may be satisfied by a statement, in the spoken text of the advertisement, that the bank is an "equal housing lender."

(3) When an oral advertisement is used in conjunction with a written or visual advertisement, the use of either of the methods specified in subparagraphs (1) and (2) will satisfy the requirements of this paragraph (a).

(b) No advertisement shall contain any words, symbols, models, or other forms of communication that express, imply, or suggest a discriminatory preference or policy of exclusion in violation of the provisions of the Fair Housing Act or the Equal Credit Opportunity Act.

2. Equal Housing Lender Poster

(a) A state member bank that engages in extending any loan for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling (as defined in section 3 of this order) or any loan secured by a dwelling shall conspicuously display an Equal Housing Lender Poster in any public lobby and area within the bank where deposits are received or where such loans are made in a manner clearly visible to the general public entering such areas.

(b) The Equal Housing Lender Poster shall be at least 11 by 14 inches in size and shall have the following text:

EQUAL HOUSING LENDER

We Do Business in Accordance With Federal Fair Lending Laws

Under the Federal Fair Housing Act, it is illegal, on the basis of race, color, national origin, religion, sex, handicap or familial status (having children under the age of 18), To:

- Deny a loan for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling, or deny any loan

secured by a dwelling; or

- Discriminate in fixing the amount, interest rate, duration, application procedures or other terms or conditions of such a loan, or in appraising property.

If you believe you have been discriminated against, you should send a complaint to:

Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing & Urban Development, Washington, DC 20410, for processing under the Federal Fair Housing Act

and to:

Division of Consumer & Community Affairs, Federal Reserve Board, Washington, DC 20551, for processing under Federal Reserve regulations.

Under the Equal Credit Opportunity Act, it is illegal to discriminate in any credit transaction:

- On the basis of race, color, religion, national origin, sex, or marital status, or age,
- Because income is from public assistance, or

• Because a right was exercised under the Consumer Credit Protection Act.

If you believe you have been discriminated against, you may send a complaint to:

Division of Consumer & Community Affairs, Federal Reserve Board, Washington, DC 20551.

3. Definition of Dwelling

"Dwelling" means any building, structure (including a mobile home), or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more natural persons and any vacant land that is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof.

By order of the Board of Governors of the Federal Reserve System, dated March 15, 1989.

William W. Wiles,
Secretary of the Board.

[FR Doc. 89-6516 Filed 3-20-89; 8:45 am]

BILLING CODE 6210-01-M

By order of the Board of Governors of the
Federal Reserve System, dated April 19, 1989.

William W. Wiles,
Secretary of the Board.

[FR Doc. 89-9837 Filed 4-24-89; 8:45 am]

BILLING CODE 6210-01-M

Fair Housing Advertising and Poster Requirements; Correction

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Order; correction.

SUMMARY: The Board is correcting a technical error in its order of fair housing advertising and fair housing poster requirements, which appeared in the *Federal Register* on March 21, 1989 (54 FR 11567). The fair housing logo was inadvertently omitted from the part of the order containing the text of the fair housing lender poster.

FOR FURTHER INFORMATION CONTACT:
Adrienne D. Hurt, Senior Attorney,
Division of Consumer and Community
Affairs, Board of Governors of the
Federal Reserve System, Washington,
DC 20551, at (202) 452-2412.

SUPPLEMENTARY INFORMATION:

Corrections

The following corrections are made in
FR Doc. 89-6516, Fair Housing
Advertising and Poster Requirements:

1. On page 11567, second column, first
full paragraph, line 6, "22.444" should
read "22,444."

2. On page 11567, third column, under
"Nondiscriminatory Advertising"
paragraph (b), line 5, "exclusion"
should read "exclusion."

3. On page 11568, first column, the
following logo should be inserted after
the third line in paragraph (b):



4. On page 11568, first column, under
"Equal Housing Lender," line 5, "sex
handicap" should read "sex, handicap."