

# SOURCE OF INCOME

## DISCRIMINATION LAWS IN MARYLAND

### 1. The laws addressing source of income discrimination in Maryland are as follows:

- 1 "Source of income" means any lawful source of money paid directly or indirectly to or on behalf of a renter or buyer of housing.
- 2 "Source of income" includes income from:
  - (i) a lawful profession, occupation, or job;
  - (ii) any government or private assistance, grant, loan, or rental assistance program, including low-income housing assistance certificates and vouchers issued under the United States Housing Act of 1937;
  - (iii) a gift, an inheritance, a pension, an annuity, alimony, child support, or any other consideration or benefit; or
  - (iv) the sale or pledge of property or an interest in property.

### (d) The prohibitions in this subtitle against discrimination based on source of income do not:

- 1 prohibit a person from determining the ability of a potential buyer or renter to pay a purchase price or pay rent by verifying in a commercially reasonable and nondiscriminatory manner the source and amount of income or creditworthiness of the potential buyer or renter;
- 2 prevent a person from refusing to consider income derived from any criminal activity; or
- 3 prohibit a person from determining, in accordance with applicable federal and State laws, the ability of a potential buyer to repay a mortgage loan.

Md. Code Ann., State Gov't § 20-704 (West)

### Except as provided in §§ 20-703 and 20-704 of this subtitle, a person may not:

- 1 refuse to sell or rent after the making of a bona fide offer, refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of ... source of income;
- 2 discriminate against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection with the sale or rental of a dwelling, because of ... source of income;
- 3 make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on ... source of income, or an intention to make any preference, limitation, or discrimination;
- 4 represent to any person, because of ... source of income, that any dwelling is not available for inspection, sale, or rental when the dwelling is available; or
- 5 for profit, induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person of a particular ... source of income.

Md. Code Ann., State Gov't § 20-705 (West)

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## **2. Examples of possible source of income discrimination in real estate sales and real estate rentals:**

**SALE:** Michelle is a veteran of the United States Navy and is seeking to purchase a home in Maryland using Veterans Administration ("VA") funding. She finds a home she likes and contacts the listing agent. The agent tells her that he and his clients are not interested in buyers using VA loans because of the stringent property condition and/or appraisal requirements and suggests she seeks traditional financing.

*This is discrimination based on source of income.*

**RENTAL:** Gwen receives child support from the father of her children, and with this support she is qualified to rent an available apartment. The real estate licensee representing the landlord tells her that he does not take into account child support because fathers sometimes stop paying.

*This is discrimination based on source of income. The landlord may initiate an eviction action against a tenant who fails to pay the rent but may not refuse to rent on speculation of future inability to pay based on the possibility that child support won't be paid.*

**SALE:** Zain is a listing agent with 123 Brokerage. For each offer on one of his listings he requires the completion of his own buyer financing information form, including a request for employer information. He makes clear that the information on the form may be used as a basis for the seller's decision.

*This is an example of the nuances of fair housing issues. The determination would of course come down to the specific facts. The Maryland Real Estate Commission recommends its licensees be very careful when requesting such information as it can lead to claims of discrimination by the listing broker and/ or homeowner. When receiving such requests from other licensees, form completion by buyers or tenants may provide information which could serve as a basis for discriminatory actions.*

**SALE:** Mathias is advertising a home for sale in Riverdale. In the listing comments, he states that the seller is only accepting offers for cash or conventional.

*This is discrimination based on source of income.*

**RENTAL:** Amari has received a rental application from Harrison, who is self-employed and interested in renting the suburban home she listed on behalf of a client in Montgomery County. Amari received the online portion of the application 4 days ago but has yet to receive the requested 2 years of tax returns documenting Harrison's income for the client's review. After waiting two more days, Amari's client rejects the rental application.

*This is not discrimination based on source of income.*

**SALE:** Calista is at an offer presentation appointment with a seller. She has received offers from a wide variety of buyers with different types of financing. During the appointment, she works with the seller to eliminate offers on the basis of financial terms and conditions, including the offer amount, loan amount, loan program or type of loan. At the end of the evaluation, her client selects a conventional financing offer with 10% down which was \$5,000 less than the highest offer received from a buyer using 100% financing.

*This is not discrimination based on source of income. sellers (with advice of agents) are not prohibited from considering the terms of an offer, but rather the source of the monies that will be used to purchase.*

**RENTAL:** Aranya goes on a rental Listing appointment in Prince George's County. The property owner, Tamar, is adamant that he will not rent to any tenants using rental assistance of any sort. Aranya explains that Maryland real estate Licensees and landlords must accept applications and seriously consider applicants using rental assistance programs to cover the cost of their rent. Tamar reluctantly agrees that he will accept applications from rental assistance applicants but only after these applicants have an interview.

*This is potentially source of income discrimination. Requiring interviews, current residence inspections, or other additional screening requirements only for those with rental assistance is potentially discrimination in terms or conditions.*

**SALE:** Hayma has received a rental application from Everett, a tenant planning to use a rental assistance program to cover the cost of his rent. Upon a review of Everett's application and credit report, Hayma and her client note that he has an unpaid utility collection and one prior eviction. Based upon this application information, his application is denied. Is this discrimination?

*This is not source of income discrimination.*

### **3. Licensees and consumers should direct their concerns and complaints for source of income discrimination to:**

#### **MARYLAND COMMISSION ON CIVIL RIGHTS:**

<https://mccr.maryland.gov/Pages/Intake.aspx>

#### **MARYLAND REAL ESTATE COMMISSION:**

[www.dllr.state.md.us/cgi-bin/ElectronicLicensing/CIPS/complaintform1.cgi?board=11&lib=DLLR](http://www.dllr.state.md.us/cgi-bin/ElectronicLicensing/CIPS/complaintform1.cgi?board=11&lib=DLLR)



Division of Occupational and Professional Licensing  
Maryland Real Estate Commission