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To: Property Owners
From: Andrew J. Bruck, Acting Attorney General, State of New Jersey
Rosemary DiSavino, Deputy Director, NJ Division on Civil Rights
Date: December, 2021
Subject: New Jersey Law Against Discrimination and Federal Fair Housing Laws

The New Jersey Real Estate Commission (REC) requires every licensed broker or salesperson with whom you list your property to give you a copy of this notice. The purpose is to help you comply with the New Jersey Law Against Discrimination (LAD) and the Fair Chance in Housing Act (FCHA) (effective January 1, 2022). Law Against Discrimination: Under the LAD, it is illegal to discriminate against a prospective or current buyer or tenant because of actual or perceived race, religion, national origin, nationality, ancestry, pregnancy or breastfeeding, sex, gender identity or expression, sexual orientation, familial status (defined as having care or custody of a child under age 18 or being pregnant), disability, liability for service in the Armed Forces of the United States, marital status, civil union status, or domestic partnership status. It is also illegal to discriminate against a prospective or current buyer or tenant because of any source of lawful income to be used for rental or mortgage payments. And it is illegal to make, print, or publish any statement, including print advertisements and online postings, expressing any preference, limitation, or discrimination based on any of those protected characteristics. The LAD applies to a wide range of activities, such as advertising, selling, renting, leasing, subleasing, assigning, and showing property (including open land). Here are some issues that come up frequently in enforcing the LAD: The prohibition on discrimination based on source of lawful income means, for example, that a landlord cannot reject a prospective tenant because they intend to pay with subsidies or vouchers provided by federal, state, or local rental-assistance programs including Section 8 housing choice vouchers, COVID-19 Emergency Rental Assistance Program (CVERAP), <http://www.njcivilrights.gov>

State Rental Assistance Programs (SRAP), temporary rental assistance (TRA), Eviction Prevention Program (EPP), unemployment benefits, child support, alimony, and supplemental security income. A housing provider cannot advertise a property in any way that discriminates based on source of lawful income, including by posting advertisements that state, directly or indirectly, a refusal to accept, or express any limitation on, vouchers or subsidies. For example, advertisements that state "No Section 8," "TRA not accepted," or "This property not approved for Section 8" violate the LAD. In addition, housing providers must calculate any minimum income requirement, financial standard, or income standard based only on the portion of the rent to be paid by the tenant, rather than the entire rental amount. The LAD prohibits bias-based harassment in housing, including sexual harassment. If a tenant is being subjected to bias-based harassment that creates a hostile environment, and if the housing provider knew or should have known about it, the housing provider must take reasonable steps to stop it. That includes harassment by other tenants and by a housing provider's agents or employees. "Quid pro quo" sexual harassment—for example, where a building superintendent demands sex or sexual favors as a condition of making necessary repairs—is also prohibited. Housing providers must reasonably accommodate tenants with disabilities unless doing so would be an undue burden on their operations. For example, if a tenant shows they have a disability and that keeping an emotional support animal is necessary to afford them an equal opportunity to use and enjoy the dwelling, the housing provider must permit the emotional support animal, even despite a "no pets" policy, unless they can show that doing so would be an undue burden. A "no pets" rule cannot be enforced against a person with a disability who has a service or guide animal. A landlord may also not charge a tenant with a disability an extra fee for keeping a service or guide animal. Landlords must permit a tenant with a disability—at that tenant's own expense—to make reasonable modifications to the premises if such modifications are needed to give the tenant an equal opportunity to use or enjoy the dwelling. The LAD prohibits discrimination based on "familial status"—for example, discrimination against families with children under the age of 18 and pregnant people. Landlords similarly cannot use unreasonable occupancy restrictions to prevent families with children from moving in. Selectively inquiring about, or requesting information about and/or documentation of, a prospective tenant's or buyer's immigration or citizenship status because of the person's actual or perceived national origin, race, or ethnicity, or otherwise discriminating on such a basis, is a violation of the LAD. As explained in the U.S. Department of Housing and Urban Development's April 2016 Guidance document, because of widespread racial and ethnic disparities in the criminal justice system, blanket policies that make all individuals with any prior arrest or criminal conviction ineligible to rent violate both the LAD and the federal Fair Housing Act because they have a disparate impact based on race or national origin and are not supported by a legitimate business necessity. And housing providers may not use criminal history as a pretext for intentionally discriminating based on race or national origin (for example, by applying criminal-record based restrictions against Black housing applicants but not white housing applicants).

Penalties. If you commit a discriminatory housing practice that violates the LAD, you may be subject to penalties up to \$10,000 for a first violation, up to \$25,000 for a second violation within five years of the first offense, and up to \$50,000 for two or more violations within seven years. Other remedies. Victims of discrimination may recover economic damages related to the discrimination (such as having to pay higher rent for another unit), as well as damages for emotional distress, pain, and humiliation. In more egregious cases, a victim may also recover punitive damages. Brokers. The broker or salesperson with whom you list your property must transmit to you every written offer they receive on your property. Brokers and salespersons are licensed by the New Jersey Real Estate Commission and their activities are subject to the LAD as well as general real estate laws of the State and the Commission's own rules and regulations. The broker or salesperson must refuse your listing if you indicate an intent to discriminate on any basis prohibited by the LAD. Fair Chance in Housing Act: The FCHA prohibits housing providers from asking about rental applicants' criminal records on an initial application or otherwise considering an applicant's criminal record in any way, until after they've made a conditional housing offer to the applicant, with limited exceptions as required under federal law. The goal of the FCHA is to ensure that formerly incarcerated and system-involved people have fair access to housing around the state. Nothing about the FCHA requires landlords or housing providers to consider a person's criminal record in housing. If a housing provider does review an applicant's criminal history after a conditional offer, specific restrictions apply. A housing provider must conduct an individualized analysis of an applicant's criminal record and may only deny housing if withdrawing a conditional offer is necessary to fulfill a substantial, legitimate, and nondiscriminatory interest. Here are some of the specific requirements for housing providers under the FCHA:

Housing providers are prohibited from asking about applicants' criminal records until after they've made a conditional housing offer, except for convictions of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing, or if the applicant is subject to a lifetime registration in a state sex offender registry. Even after a conditional offer, a housing provider may not consider arrests or charges that did not result in a criminal conviction, expunged convictions, convictions erased through executive pardon, vacated and otherwise legally nullified convictions, juvenile adjudications of delinquency, and sealed records.

If a housing provider chooses to consider an applicant's criminal history after a conditional offer, they may only consider:° Convictions for murder, aggravated sexual assault, kidnapping, arson, human trafficking, sexual assault, endangering the welfare of a child in violation of N.J.S.2C:24-4(b)(3);

- Convictions for any crime that requires lifetime state sex offender registration;
 - Any 1st degree indictable offense, or release from prison for that offense, within the past 6 years;
 - Any 2nd or 3rd degree indictable offense, or release from prison for that offense, within the past 4 years; or
 - Any 4th degree indictable offense, or release from prison for that offense, within the past 1 year.
- For a conviction that can be considered, a housing provider must conduct an individualized analysis that includes:° Nature and severity of the offense(s)
- Applicant's age at the time of the offense(s);
 - How recently the offense(s) occurred;
 - Any information the applicant provided in their favor since the offense(s);
 - If the offense(s) happened again in the future, whether that would impact the safety of other tenants or property; and
 - Whether the offense(s) happened on, or was connected to, property that the applicant had rented or leased

If the housing provider intends to consider criminal history as provided for under the FCHA after a conditional offer, they cannot accept an application fee before disclosing that fact to the applicant, and offering the applicant an opportunity to provide evidence of inaccuracies in their criminal record, other evidence of rehabilitation, or mitigating factors. This requirement can be fulfilled using the Model Disclosure Statement on DCR's website, found at https://www.njoag.gov/wp-content/uploads/2021/12/Model-Disclosure-Statement_12.14.21.pdf. If the housing provider withdraws a conditional offer based on criminal record, they must explain in writing their justification for doing so, which can be fulfilled using the Model Notice of Withdrawal on DCR's website, found at https://www.njoag.gov/wp-content/uploads/2021/12/Model-Notice-of-Withdrawal_12.15.21.pdf. An applicant can then request the information the housing provider relied upon, and can submit mitigating information or inaccuracies related to aspects of their criminal record. If the housing provider utilizes any vendor or outside person or entity to conduct a criminal record check on their behalf, they shall take reasonable steps to ensure that the vendor or outside person or entity is conducting the criminal record check consistent with the requirements of the FCHA. The housing provider will be liable under the FCHA for relying on a criminal history inquiry conducted by a vendor or outside person or entity that is conducted in violation of the FCHA if it failed to take reasonable steps to ensure compliance.

Housing providers are prohibited from discriminating against those with criminal records in any advertising, notices, or publications. They also cannot require applicants to submit to drug or alcohol testing, or to provide information from a treatment facility. Penalties. If you violate the FCHA, you may be subject to penalties up to \$1,000 for a first violation within five years of the complaint, up to \$5,000 for a second violation within five years of the complaint, and up to \$10,000 for two or more violations within seven years. Other remedies. DCR may also authorize other remedies depending on the circumstances.

For more information about the LAD, the FCHA, or if you have other questions about discrimination in the sale or rental of real property, including how to report a complaint, please visit www.NJCivilRights.gov or call our Housing Hotline at (866) 405-3050. DCR has a number of fair housing fact sheets that are available at <https://www.nj.gov/oag/dcr/housing.html>. Thank you.

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