

# What is being done to address appraisal discrimination?

- The Consumer Financial Protection Bureau (CFPB) has offered options to bolster oversight of conceivably discriminatory automated valuation models.
- The U. S. Department of Justice (DOJ) Civil Rights Division has published a statement affirming that “combating housing discrimination, including bias in appraisals, is a high priority across the federal government”

Individuals are reporting appraisal discrimination to their local Fair Housing Agencies and filing complaints with HUD.



# Don't Be Subject to Lending & Appraisal Bias

**“YOU HAVE A RIGHT TO HOUSING FREE FROM DISCRIMINATION”**

*Sex • Disability • Familial Status  
Race • Color • Religion  
National Origin or Ancestry • Military Status*

If you feel you've been discriminated against in housing, make sure you take these steps:

- *Keep a record of the names, dates, addresses, phone numbers and other important information which can assist in the investigation of your complaint.*
- *Don't forget to be as specific as possible about the incident. Get the names and addresses of any witnesses to the incident whenever possible.*
- *Following the incident, you have one year to file an administrative complaint or two years to file a lawsuit.*



Fair Housing Resource Center, Inc.  
1100 Mentor Ave.  
Painesville, Ohio 44077  
(440) 392-0147, Fax (440) 392-0148  
Toll Free (866) 411-3472  
Email: [info@fhrc.org](mailto:info@fhrc.org)  
[www.FHRC.org](http://www.FHRC.org)

This brochure is intended for general information purposes only and does not constitute legal advice. If you need legal advice please contact your local Bar Association, Legal Aid Society or a private attorney.



## Discrimination in Lending & Appraisals



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## Discriminatory Lending

Buying or refinancing a home, or even getting it appraised, is a serious decision that leaves you open to becoming a victim of different types of discrimination.

Discrimination in **ANY STAGE** of mortgage lending is prohibited by the federal Fair Housing Act. HUD's Office of Fair Housing and Equal Opportunity actively enforces those provisions of the law. This includes mortgages, refinancing, home equity loans, and home improvement loans. Under the Fair Housing Act, it is unlawful to discriminate based on race, color, national origin or ancestry, religion, sex (including gender identity, sexual orientation, and sexual harassment), familial status, or disability, and in Ohio, military status.

### Examples of Discriminatory Lending:

- Unreasonable denials of loans
- Excessive interest rates or fees
- Not providing housing information to a member of a protected class
- Higher prices for mortgage broker services
- Offering different customer services
- Higher or unnecessary homeowner's insurance
- Undervaluing or overvaluing a home

## Discrimination in Property Appraisals

What is a property appraisal? Property appraisals are a professional opinion of the home's value. They are necessary whenever a mortgage is involved in buying, selling, or refinancing a property. **The Fair Housing Act covers appraisals of property as well.** This means that any appraisal influenced by the appraiser's protected class is unlawful.



There are a few ways for an appraisal to violate the Fair Housing Act, including:

- Undervaluing a home because of the appraiser's membership in a protected class:
  - Valuing a home owned by a person of color at less than that of a comparable home owned by a white person
- Overvaluing a home because of the appraiser's membership in a protected class:
  - Saying a home is worth more than it is can lead to predatory loans, which can come with excessive fees or terms that are not otherwise justifiable

## How do I report lending or appraisal discrimination?

Anyone injured by lending or appraisal discrimination has the right to file a fair housing complaint. Any complaint must include:

- Your name and address
- The name and address of the person or company that your complaint is against
- The address of or other identifying information about the housing involved
- A short description of the alleged violation (the event that caused you to believe your rights were violated) and
- The dates of the alleged violation

You can file your complaint in one of the following ways:

- Contact the National Discrimination Hotline at 1-800-669-9777
- Complete a complaint form at [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)
- Contact your local fair housing agency

