

## Additional resources for learning about discrimination in home appraisals:

The PAVE Task Force (Interagency Task Force on Property Appraisal and Valuation Equity):

PAVE is a first-of-its-kind interagency task force dedicated to ending bias in home valuation. The task force includes 13 federal agencies and offices and is chaired by HUD and the White House Domestic Policy Council.

Visit PAVE at: <https://pave.hud.gov>

## Contact Us

 **Legal Aid of Arkansas**  
2725 Cantrell, Suite 104 Little Rock,  
AR 72202

 **870.338.9834**  **arlegalaid.org**

### The Fair Housing Project:

If you believe you have been a victim of housing discrimination, please call Legal Aid's fair housing helpline at **1-870-338-9834**. **The Fair Housing Project serves all of Arkansas regardless of income.**

Our staff will discuss the situation with you and help you decide what to do next. When necessary, our staff may assist you in filing a complaint with the Arkansas Fair Housing Commission, the U.S. Department of Housing and Urban Development (HUD), or other administrative or judicial bodies.

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# A Guide to Discrimination and Bias in Home Appraisals

Legal Aid of Arkansas  
Fair Housing Project



Fair Housing Project  
Legal Aid of Arkansas



## What is an Appraisal?

An appraisal is an estimation of the value of a home at a point-in-time. Lenders (typically banks) conduct appraisals to determine the value of any home they will finance under a home mortgage loan (for a purchase or refinance transaction).

## How Does an Appraiser Determine the Value of a Property:

Appraisers commonly inspect and consider the following factors in determining the value of a property:

1. The age and condition of the house.
2. The size of the house and the size of the lot.
3. Any special features of the home.
4. The location of the home and nearby amenities like schools, hospitals, stores, or entertainment.
5. Comparable sales (comps): recent sales of similar homes in the neighborhood can help give appraisers a sense of a home's value.

## Appraisal discrimination is illegal:

The Fair Housing Act prohibits discrimination in the home buying process based on seven protected classes: race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, and disability. Appraisals are considered part of the home buying process and are covered by the Fair Housing Act.

## Signs you have been a victim of a discriminatory appraisal:

It is not always easy to tell if you have received a discriminatory appraisal, but here are some red flags:

1. The appraisal of your home comes in significantly below what you expected. While appraisals can differ somewhat, an appraisal that is well below the values of nearby homes is a warning sign.
2. The appraiser asks you about your race, national origin, or other protected class. An appraiser's job is to look at your property and not at you.
3. The appraiser makes assumptions or statements about race, national origin, or ethnicity.
4. A second appraisal returns a significantly higher value.

## How can I protect myself from appraisal discrimination:

1. Do your own research. Have an understanding about the value of your home and know the sale prices of other homes in your neighborhood. It is a good idea to make a property information sheet which highlights the positive features of your home like renovations, upgrades, and unique selling points.
2. Avoid disclosing personal information about your race, ethnicity, or other protected class to the appraiser. Some sellers find it helpful to remove racially identifiable items (such as family photos) from view prior to the appraisal.
3. Review the appraisal report carefully to check for errors like wrong square footage or missing features.
4. Review the comparable sales used by the appraiser.
5. If the appraisal has errors or seems too low, contact the lender and let them know. You can also request a second appraisal.
6. If you believe you have been a victim of discrimination, contact an attorney.