



Dr. Mark A. Calabria
FHFA, Director
Constitution Center
400 7th Street, SW
Washington, D.C. 20219

February 26, 2021

RE: Providing public comments regarding appraisals

Dear Dr. Calabria:

On behalf of the 16,000 members of the Chicago Association of REALTORS® (CAR) I present to you input on the appraisal process for the public comment period commissioned by this agency. The National Association of REALTORS® (NAR) and the Illinois REALTORS®, the national and state associations, respectively, convened task forces to study the subject. The local association created an input portal on the Association's webpage for both Members and consumers, this portal allows those who feel aggrieved by the appraisal process to share their story. The local association stands as a collector of facts and wishes to present our stories in hopes of creating reform in the process.

Attached, please find the stories submitted to date.

The undervaluing of communities is a plague, a scourge. Both NAR and CAR have issued apologies for involvement of past deeds which hurt communities of color. While the REALTORS® are most noted for redlining, block busting, steering and other nefarious activities, the problems are systemic and the REALTORS® were not alone. Other industry groups need to be reviewed, examined and in many cases actions need to be rectified.

Suggested reforms include-

- Banks should allow a tribunal of real estate professionals to offer alternative valuation and the bank is the final arbiter of value and the amount to lend.
- Appraisers must demonstrate their cultural competency.
- Disputes appraisals must have a clear and defined objectives and comps offered must be addressed.
- A way to record After Renovation Values (ARV) to create a new baseline value, currently only the purchase price is recorded.
- Appraisers must fully explain the appraisal process prior to conducting a review and the customer is allowed to cancel prior to work beginning.
- Diversify the ranks of appraisers.

On behalf of our Membership and for the betterment of valuation of communities of color across this country, the Chicago Association of REALTORS® submit these ideas and statements for your consideration.

If further discussion is needed, I stand ready to communicate further on this topic, my direct dial is 312-989-9349 and my e-mail address is kjanderson@chicagorealtor.com.

Sincerely,

A handwritten signature in black ink that reads "Kristopher J. Anderson". The signature is written in a cursive style with a large, stylized 'K' and 'A'.

Kristopher J. Anderson
Director of Government & External Affairs

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Wednesday, January 13, 2021 12:43:41 PM

Name

Donald Robinson

Number

167,553

Membership

Primary

Address of Disputed Appraisal (Optional)

6625 S University Ave
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

Lilian T Al-Adwan

Describe your appraisal dispute

The appraiser rejected ALL sales surrounding the subject property and only included properties from LEAST expensive areas furthest from the subject property. The subject property was valued a value that does not exist in the subject area. At the time the least expensive area sfh closed sale was \$248,000 over the past 6 months. The subject property was listed for \$160,000, went under contract for \$172,000 with multiple offers and was appraised at \$116,500. The appraiser caused great financial harm to all parties involved - denying the buyer access to a mortgage and decreased the sales proceeds to the sellers.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

Yes, complaints were filed with HUD and and IDFPR on 11.24.2020. No updates have been received from either agency as of 1.13.2021.

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?


Ensure that appraisers are held accountable, financially even, for errors that ultimately prevent/limit minorities from transacting real estate. Appraisers need timely and independent oversight. There are inadequate/ineffective controls around the appraisal grievance process. The current controls around the grievance process do not mitigate the risks of appraiser error, negligence or malice.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Monday, February 1, 2021 1:48:14 PM

Name
Yorli Huff
Number
6,304,769,191
Membership
Affiliate
Address of Disputed Appraisal (Optional)
14520 s hoxie Burbham, Illinois Map It
Zip Code of Disputed Appraisal
60,633
Name of appraiser and/appraisal company
Hiulihan appraisals
Describe your appraisal dispute
Comps were used from a different part of Burham than were the actual property is. There are current comps closing upwards of \$160k two blocks away and were not used. I was told that because the newly closed property's were new rehabs they could not be used. I was told that rehabs that were done at the time the original rehab was done had to used which are lower.
Are you willing to tell this story in public?
Yes
May we share this story including your name?
Yes
Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?
Education of the entire appraisal system need to occure so individuals know when this type of discrimination is done and can be reported.
Consent
 I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Tuesday, February 2, 2021 10:51:48 AM

Name

Margie Smigel

Number

119,743

Membership

Primary

Address of Disputed Appraisal (Optional)

1365 E Park Place
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

The Margie Smigel Group, LLC

Describe your appraisal dispute

These are 2 the letters I sent for appeal of a \$660,000 appraisal for a \$700,000 transaction for a house on the University of Chicago campus, one of the highest price per sq ft neighborhoods on the South Side:

I am taking the unorthodox stance as the buyer's broker to protest this appraisal because there is no broker representing the trust that owns this property, and because I believe the misunderstandings on property and market conditions are so profound.

1. Comparables #1 and #2 are E-1 Townhomes. The subject property is a D townhome. When I.M. Pei designed the urban renewal townhomes in the middle of the last century, there was a decided hierarchy to the houses. F townhomes were the smallest and most affordable. Then there were the E townhomes which were larger but only had one bath on the top (bedroom) level and sometimes a half bath on the basement level. Some owners have since added a full bath to the basement level, but of course that did not provide for a master bath. The E-1 townhomes were next: slightly larger with the added bonus of 2 full baths on the top floor. None of these homes had baths of any kind on the main living floor, and I know of none that were ever added because there just isn't the space or plumbing for one. The value of all of these houses was generally in direct correlation with the letter names of the houses: F being the least expensive and E-1 being the most. Then came the D townhomes which were the most desirable. Unlike the E and E-1 townhomes which entered into a stairway foyer forcing you to head either up or down, the D houses had a more gracious entrance onto a main floor which has the added advantage of a living room with big picture windows and a door leading directly out to the back yard. The D is much wider than any of the other homes. They have 2 full baths upstairs and were all designed with a half bath and an additional bedroom on the main floor. The subject property was upgraded to a full bath on the main floor which makes it livable for a resident who has difficulty with stairs. D townhomes have always been valued much higher than E-1 townhomes and cannot really be considered as full comparables. There are also many fewer D homes than E or E-1 homes making them even more valuable because of scarcity in the neighborhood.

2. Comparable #3 is indeed a D townhome. It was bought by owners who have (since closing) completely renovated it to the studs, because it was in mostly original 1960's condition. It was NOT in better

condition than the subject property whose kitchen and upstairs baths are also in the original condition. Also, ALL of the D townhomes are exactly the same except for the end houses that have windows on their end walls. They are all exactly the same square footage. This was a mid-century development, and they were mass producing these houses to be identical. I am attaching an original floorplan from I.M. Pei. Throughout the years, different square feet have been assigned to these homes in the MLS, but none are larger than the others that bear the same letter name. Certainly Comparable #3 and the subject property are exactly the same size and have the same size lots. \$20,000 was deducted from the value of the subject home because of condition. The condition of each was comparable negating that deduction. That value should be restored.

3. The appraisal says that there is no Central AC and deducted \$5000 from the value. There is indeed CAC, with the compressor installed on the roof so that it wouldn't interfere with enjoyment of the private yard. That value should be restored.

4. The appraiser also deducted \$5000 from the value vis a vis Comparable #3 because the latter was a cash sale. This purchase is essentially a cash sale because the contract is not contingent upon a mortgage. That value should be restored.

Comparable #3 sold for \$695,000 one year ago. According to the MLS, the market for houses in Hyde Park has appreciated 4.4% in the past year. All things being equal between the two houses (which they are), the appraised value could easily have been \$725,580. The appraised value of \$660,000 cannot be a true value of the subject property because of the history of those homes in the Hyde Park neighborhood and the actual current market conditions in that very distinct area close to the University of Chicago. There are faculty at the University of Chicago and physicians and researchers at the U of C Hospitals, all eager to buy a home close to their offices under \$1,000,000. But there are very few that ever come to market. The subject property never made it to the open market. If it had, I assure you that there would have been a bidding war resulting in a much higher sales price.

I respectfully ask that the assessed value be reconsidered to more fairly reflect the transaction price.

AND WHEN THEY DIDN'T ADJUST IT AT ALL, I SENT A CMA AND THE FOLLOWING LETTER:

I am providing 5 more comparables to support the \$700,000 contracted price on 1365 East Park Place.

1. 5439 S Drexel. This is a row home as is the subject property. It is, however, north of 55th St which is a dividing line for a lot of buyers. South of 55th is considered "on Campus" or in the "golden rectangle". Homes in that very tiny area between Harper and University, from 55th to 59th St. have historically had higher values than those outside of it. It is a much narrower house than the subject house and is twice as old.

2. 1224 E 57th St.

This house is in the center of the "golden rectangle" which is why this small, frame, vintage cottage (as described in the listing remarks) with no parking was sold at such a high price of \$850,000. Location resonates in this neighborhood, and this sale is a great example of it. If the buyer updates the kitchen and baths of the subject property, it will be worth much more than this house because of its brick construction and parking.

3. Comparables #3, 4 and 5

These properties are similar only in that they are row houses on the campus. They all sold for \$1,000,000+. None of them has parking. But because of their location, they are highly coveted and highly valued. I include them to show that values in this part of the neighborhood are very high and reflect a scarcity that just doesn't appear during a pandemic.

This is a difficult appraisal because there are so few available sales in the neighborhood in the past year. There are very few D townhomes that ever reach the market. The fact that we had one sale at \$695,000 a year ago is frankly surprising and fortunate.

I respectfully ask that the assessed value be reconsidered to more fairly reflect the transaction price.

THEY COMPLETELY STONEWALLED THE SECOND ATTEMPT AT APPEAL

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

No

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

There have to be appraisers educated in the particularities of the neighborhoods. Suburban appraisers see the entire swath of the South Side as a singular entity when in fact it is a patchwork of neighborhoods and sub neighborhoods.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Friday, February 5, 2021 12:40:15 AM

Name

Crystal Blanton

Number

184,088

Membership

Primary

Address of Disputed Appraisal (Optional)

6625 S University
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

L.A Appraisal Inc

Describe your appraisal dispute

My colleague Don Robinson who was representing his buyer in this transaction. Informed me of the low appraisal amount. I reached out to Bank of America to ask for their protocol on appraisal disputes. The loan officer clearly cut me off and said that the dispute has to come from the buyer's agent and not the listing agent. Thank God Don and I were partners on this situation. He had Informed me that he has already filed multiple complaints and will draft up the dispute. The appraiser compared the subject property to homes that required extensive rehab and were unlivable the except for 1. The subject property was livable. The owner had occupied the home. Bank of America order a second appraisal but immediately canceled it. Don's buyer had to locate another resource to purchase the home.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

I personally did not but my Colleague Don did. From what we discussed, it was with HUD.

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

If there is a legitimate dispute their should be some tupe of regulation that would warrant the bank to provide a second opinion.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Wednesday, January 13, 2021 12:43:41 PM

Name

Donald Robinson

Number

167,553

Membership

Primary

Address of Disputed Appraisal (Optional)

6625 S University Ave
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

Lilian T Al-Adwan

Describe your appraisal dispute

The appraiser rejected ALL sales surrounding the subject property and only included properties from LEAST expensive areas furthest from the subject property. The subject property was valued a value that does not exist in the subject area. At the time the least expensive area sfh closed sale was \$248,000 over the past 6 months. The subject property was listed for \$160,000, went under contract for \$172,000 with multiple offers and was appraised at \$116,500. The appraiser caused great financial harm to all parties involved - denying the buyer access to a mortgage and decreased the sales proceeds to the sellers.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

Yes, complaints were filed with HUD and and IDFPR on 11.24.2020. No updates have been received from either agency as of 1.13.2021.

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

Ensure that appraisers are held accountable, financially even, for errors that ultimately prevent/limit minorities from transacting real estate. Appraisers need timely and independent oversight. There are inadequate/ineffective controls around the appraisal grievance process. The current controls around the grievance process do not mitigate the risks of appraiser error, negligence or malice.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Sunday, February 14, 2021 6:47:33 PM

Name

Jasmine Baynes

Number

875,541

Membership

Primary

Address of Disputed Appraisal (Optional)

6225 S Rhodes
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Describe your appraisal dispute

I listed a two flat building that was renovated in 2016 from top to bottom, in the Woodlawn community, I told my client her house was worth an estimated \$315,000 based on comparable sales in the area. This situation was unique because while I was selling her property, I was also the agent for the building two doors down at 6237 S Rhodes, a two flat owned by a white man. This building was not a gut rehab and was not in the same condition as my client at 6225 I told him his property was worth \$289,000 based on the amount of work that was still needed in the property and we got it under contract for that amount within seven days of being on the market. The appraisal came back at \$289,000 just like I told him it would. Both properties were under contract at the same time, however, Fannie's property appraisal came back at \$265,000 almost \$30,000 less than her white neighbor two doors down whose property was in worse condition. Due to Fannie's health and finances she could not afford to wait for the property's closing to be pushed back in order for me to fight the appraisal. She told me she didn't want me to fight the appraisal even though I had enough supportive comparable sales to back up my claim because she could not afford to pay another month of bills in the house. She, like many home owners in black and brown communities all across Illinois, settled. She had been robbed of money that was rightfully hers, and because she was too poor to continue to pay the mortgage of her building and the rent of her current apartment, so she had to walk away from \$50,000.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

I did not file a complaint because my client asked me not to in order for her sale not to be held up.

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

I believe a 3rd party dispute board be created so realtors and homeowners can get in front of a panel and explain their case. If the appraiser who performed the flawed appraisal is the only person who makes the decision it makes it a very biased judgement.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Thursday, February 25, 2021 7:37:50 AM

Name

Donald Robinson

Number

167,553

Membership

Primary

Address of Disputed Appraisal (Optional)

6523 S Ellis Ave
CHICAGO, IL, Illinois
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

Steve Orłowski

Describe your appraisal dispute

The subject property at 6523 S Ellis was appraised 11/27/2020 for \$164,000. There are two identical properties constructed by the same builder with the same age in the same neighborhood with the relative quality of condition was valued more than \$100,000 more. 6129 S Ellis Ave, closed for \$276,000 on 12/15/2020 and 6137 S Woodlawn Ave sold for \$310,000 on 12/17/20. The subject property has a garage and the two properties sold do not.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

Not yet

Are you willing to tell this story in public?

Yes

May we share this story including your name?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

Appraisals should reflect actual sales values

Consent

I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Wednesday, February 17, 2021 2:28:45 PM

Name

Debra Floyd

Number

3,126,188,735

Membership

Primary

Address of Disputed Appraisal (Optional)

11347 S. Church
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,643

Name of appraiser and/appraisal company

C.M Allen and Kevin Wirtz

Describe your appraisal dispute

We are selling a home located at 11347 S. Church, Chicago, IL and there has been 2 appraisals done on the property in least than a year and according to the appraisal the house has depreciated by \$10, 000.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

No, but I will.

Are you willing to tell this story in public?

Yes

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

You can tell the story without using my name.

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.

From: support@digitalwebprojects.com
To: [Kristopher Anderson](#)
Subject: EXTERNAL: Tell Your Story - Appraisals Form Notification
Date: Thursday, February 25, 2021 4:12:57 PM

Name

Donald Robinson

Number

167,553

Membership

Primary

Address of Disputed Appraisal (Optional)

6527 S University
Chicago, IL
[Map It](#)

Zip Code of Disputed Appraisal

60,637

Name of appraiser and/appraisal company

William Mannion

Describe your appraisal dispute

6527 S University is a 3-story single-family home with over 4200 s/f of interior space on a 50x125 lot in East Woodlawn.

It is the largest single family home/property to sell in East Woodlawn in the last 24 months.

It ultimately needed to be rebuilt after a fire in September 2018; construction started 11/2018 and concluded 7/2020. The home underwent a complete renovation including new joists, steel and wood framing, electrical, plumbing, HVAC systems, subflooring, the addition of a 2nd level deck, new Hardie-board siding and new wide plank prefinished hardwood flooring on all above grade locations and luxury laminate plates in the lower level. The home has decks on each of the 3 above grade levels, including a private 375s/f -rooftop deck and an oversized front porch.

Premium products include:

- Wainscoting on the first level, all wood casing/base/trim and crown molding throughout (including bathrooms)
- Lighted GCFIs, tv outlets and USB outlets across all levels (screwless plate covers)
- Solid wood doors throughout (premium door hardware)
- 2nd floor laundry, prewired audio system, 1st floor bedroom and Full bath
- 40 new windows (10 casement), 35 new interior and exterior doors and 2 tankless hot water tanks.
- \$50,000 Premium kitchen upgrade with 2 sinks, double Wi-Fi convection ovens, 60-inch tall 100% full cherry in-set cabinetry, 36 in apron cooktop, upper/under cabinet lighting, 8-inch-wide plank hardwood flooring, desk area and bar area with beverage cooler.
- The master bedroom suite includes, 4 windows, private deck, 100 s/f custom walk-in closet (w/ separate shoe closet), 6 ft double Kohler shower with body jets, private water closet, 6 ft bubble, lighted aroma therapy, heated and jetted tub, 3 windows and 2ftx4ft premium heated tile.
- All bedrooms are above grade and the full walkout basement and drain tile was also added in the 2019/2020 construction. Home includes bonus rooms not typical to the area including: mudroom with

sink, formal dining room, family room, den, office, gym, loft w/ vaulted ceilings and 400 s/f of interior storage.

- Energy efficiency improvements include: open and closed cell spray insulation throughout, all LED lighting, high efficiency smart Wi-Fi appliances, smart thermostats, high efficiency furnaces, DC Wi-Fi smart fans, energy star windows and doors, and premium water sense plumbing fixtures.

This home and property are larger than all of the homes (land and s/f) offered for sale in Woodlawn for the past 24 months. Construction improvements totaled \$350,000. After renovations, this home was valued at just \$60,000 more than the prior appraisal, 2 years prior – prior to adding 600 s/f of finished space. At the time of appraisal neighborhood average \$/ sq ft was \$181 which also includes properties that were not renovated at all. Average price/s/f for all SFH home sales in East Woodlawn for the prior 24 months, including renovated and non-renovated homes is \$176 per sq/ft. Upgrades to the subject home are well beyond average but the home was valued at less than the average \$/sq ft represented in/by neighborhood comparable properties. This home was valued at \$160 \$/sf, below the neighborhood average. This home appraised for \$480,000 on 7/15/20 while the average renovated home sold from 7/15/2019 to 7/15/2020 was valued at \$567,000. This is represented by 6 sales, 4 frame homes and 2 brick homes and a mixture of new construction and renovated properties. The subject property appears to be undervalued by over \$80,000 when analyzing based on price per/sq ft and by the average sales price of renovated homes in the East Woodlawn area, irrespective to being superior in size. All recorded single family home sales in East Woodlawn are inferior in interior and exterior space since the sale of this home in 2015.

I met the appraiser and explained the improvements that were made and presented him with a packet showing all of the improvements that could and could not be visually confirmed. The appraiser used 6648 S Drexel, 6454 S Dorchester, 6336 S Kimbark, 6238 S Greenwood, 6110 S Dorchester and 6520 S Woodlawn for comparative properties. I contested the appraisal and requested the following report changes:

"Appraisal Errors: Urban area not Suburban; area land value is \$89,000 not \$9,450; Neighborhood is comprised mostly of multi-unit homes, not single-family homes; Why isn't effective age of home 0; Floors are hardwood not laminate; Tile is porcelain except subway tile in kitchen and on master tub surround. Our home is situated across from 6536 S University the most significant sfh sale ever in the history of Woodlawn. The subject is currently the largest renovated SFH in East Woodlawn."

I suggested the following comps and included the (appraiser's notes):

"6523 S Minerva-Active listing. I put very little weight on active listings. 141 DOM without a contract. 6336 S Kimbark-(New construction- Although i used a couple of newer construction comps it is not desirable.)

6123 S Ellis-(New construction-All electric, renewable energy home with a very modern design.)

6121 S Ellis--(New construction-All electric, renewable energy home with a very modern design.)

6926 S Bennett-(1,8 miles away)

1224 E 57 St-(1.2 miles away)

(None provided are quality comps. I stand by my value.)"

The only report revision made by the appraiser was changing the property location from suburban to urban. The appraiser declined acknowledging/changing the report to reflect that the home has 3 levels of factory finished wide plank hardwood flooring.

The biggest insult to injury is that the prior Caucasian family was approved for a \$417,000 cash-out refinance loan which indicates that the home appraised for \$500k in order to maintain the 80% LTV needed for a cash-out refinance at a time when this home was in severe disrepair and area values were significantly lower. The Caucasian family ultimately defaulted on their loan and sold the property to us in a short sale, transferring the home in complete disrepair.

The current family's plans to erect a custom garage designed for solar panel installation are now postponed indefinitely due to this unforeseen valuation miss. Appraisal mis valuations systematically depress the ability for minorities to improve their real estate, especially in minority communities. It's especially painful when the largest existing home renovation, situated in an ideal location is worth less than average when owned by a minority. New development, with inferior products and sizes, push price limits year over year while area residents are routinely excluded from accessing the promise of their equity.

Did you file a formal complaint with a government agency? If so, which agency and what was the outcome?

Not yet.

Are you willing to tell this story in public?

Yes

May we share this story including your name?

No

Do you have any suggestions on how the appraisal process can be bettered or how to ensure this situation does not occur again?

Properties should be evaluated based on location, size, quality of improvements and function as it relates to the subject property peer group. Appraisers should be retrained to ensure that they value properties based on the merit of the home and do not work to validate a predetermined/prejudiced home value. Appraisal challenges should be conducted/ratified by independent peer appraisers

Consent



I acknowledge that the information I am submitting is for informational purposes and is not a substitute for a formal complaint with any regulatory agency.