

Home Appraisal

A FAIR HOUSING GUIDE



APPRAISAL DISCRIMINATION IS REAL. YOU ARE PROTECTED.

The Federal Fair Housing Act (FHA) and the Illinois Human Rights Act (IHRA) prohibit discrimination in all housing transactions – including home appraisals. Appraisals play an integral role in generating wealth through home ownership. Whether you are selling or buying a home, refinancing, or applying for other types of loans, an appraisal is a required step to determine a property's value.

Unfortunately, illegal discrimination exists in the appraisal process. A study conducted by Freddie Mac reviewed 12 million appraisals from 2015 to 2020. The study found substantial evidence of discrimination based on race and national origin resulting in lower property values for Black and Latino families. **If you feel your home has been undervalued due to your race, national origin, or other legally protected characteristic, you may have experienced illegal discrimination.**

If you think you were discriminated against, you can ask for a **Reconsideration of Value** using our **toolkit (see page 2)** or contact your local fair housing organization. Find a fair housing organization by searching for "HUD FHIP locator":

[hud.gov/program_offices/
fair_housing_equal_opp/contact_fhip](https://www.hud.gov/program_offices/fair_housing_equal_opp/contact_fhip)

WHO IS PROTECTED?

Everyone in the United States is protected from discrimination in housing based on their:

- Race
- Color
- Religion
- Sex*
- National origin
- Disability
- Familial Status**

Illinois offers additional protections for:

- Ancestry
- Pregnancy
- Sexual Orientation
- Gender Identity
- Order of Protection Status
- Age (40+)
- Military Status
- Arrest Record
- Source of Income
- Immigration Status***

Cook County also offers additional protections:

- Housing Status
- Caste
- Ethnicity
- Bodily Autonomy
- Covered criminal history****

*includes sexual harassment

**includes pregnancy status

***beginning 1/1/2024

****As per the Just Housing Amendment
[cookcountyil.gov/content/just-housing-amendment-human-rights-ordinance](https://www.cookcountyil.gov/content/just-housing-amendment-human-rights-ordinance)

HOW TO SPOT DISCRIMINATION

Discrimination can happen at different steps in the appraisal process. Evidence of discrimination can be used to ask the lender for a Reconsideration of Value (ROV) or to file a complaint/lawsuit. If you believe that your appraiser discriminated against you, look for the following potential red flags:

1. A low opinion of value
2. A short inspection time
3. An inaccurate subject property description
4. Less than 3 Comps
5. Comps outside your neighborhood
6. Large adjustments
7. Comps with very old sale dates



Want to advocate for yourself?
Access sample Reconsideration
of Value (ROV) letters here:

hopefair.org/toolkits



HOW IS MY HOME'S VALUE DETERMINED?

1. **Your Property is Inspected.** Your property is known as the "Subject Property."
2. **Comps are Identified.** Recently sold properties in your area are called "comparables" or "comps."
3. **The Subject and Comps are Compared.** Value adjustments are made for any differences between the two. For instance, if your property has more bathrooms than its Comp, the appraiser will increase the sale price of the Comp so it better reflects the value of your property.
4. **Opinion of Value is Determined.** The Opinion of Value is the official value used by lending institutions as you proceed to sell or refinance your home.

FILING A COMPLAINT

If you believe you have faced housing discrimination, you have the option to file a complaint. You can file **within one year from the last act of discrimination** with:

The Illinois Department of Human Rights (**IDHR**)
dhr.illinois.gov/filing-a-charge/housing.html
or (312) 814-6200 / (866) 740-3953 (TTY).

US Department of Housing and Urban Development (**HUD**)
hud.gov/fairhousing/fileacomplaint
or (800) 669-9777

For information on filing directly in court, reach out to a local fair housing organization.
(http://hud.gov/program_offices/fair_housing_equal_opp/contact_fhip)

