

Fair Housing for All: Academy Podcast Series

Episode 1: NFHTA Forum | Strategies for Investigating Discriminatory Residential Appraisals, September 15, 2021—Melody Taylor, Executive Director of PAVE Task Force

Speakers: Cashauna Hill, Executive Director, Louisiana Fair Housing Action Center; and Melody Taylor, PAVE Executive Director and Regional Director – Region III, HUD FHEO

CASHAUNA HILL [0:00:12]: Hello, welcome to the “Fair Housing for All: Academy Podcast Series”. My name is Cashauna Hill, and I am the Executive Director of the Louisiana Fair Housing Action Center. Since 2015 I have led a team working to fulfill the organization’s mission to end discriminatory housing policies and practices through litigation and policy advocacy, as well as to provide fair housing trainings and foreclosure prevention counseling.

This is episode 1 of the September 16, 2021, National Fair Housing Training Academy Forum, titled Strategies for Investigating Discriminatory Residential Appraisals. You’ll be hearing from Melody Taylor, the Executive Director of HUD’s Property Appraisal and Valuation Equity initiative. She speaks about the recent uptick in appraisal bias and gives examples of people’s experiences. She will elaborate on how the PAVE initiative is taking steps to narrow the racial-wealth gap and re-invest in communities that have been historically excluded by failed policies.

I want to note that this episode features information and examples that represent the experiences of the speaker.

MELODY TAYLOR [00:01:49]: Great. Thank you, Cashauna. Good afternoon to everyone. Thank you for joining today's forum on Strategies for Investigating Residential Appraisals. Over the past few months, I think we've all seen the uptick in media coverage regarding appraisal discrimination. [Most recently, in an article in the Cincinnati Enquirer where a black family's appraisal increased \\$100,000 after they hid their race. The homeowner spoke of spending hours walking through her home with anger and tears. She took her family's pictures and replaced them with borrowed photos of her white neighbor's family.](#) In 2021, this should not be a narrative in an effort to gain equity.

As a result, HUD and our partner agencies continue to see a rise in the number of inquiries and complaint filings related to appraisal bias, which is why this forum and the Biden/Harris Administration's mandate to evaluate the cause, extent, and consequences of appraisal bias, is crucial to the future of our next generation's ability to build wealth.

With that being said, I'd like to spend a few moments to talk to you about the Biden/Harris Administration's new initiative, which is taking new steps to help narrow the racial wealth gap and reinvest in communities that have been left behind by failed policies.

[On June 1st, President Biden charged HUD Secretary Marcia Fudge with leading a first of its kind interagency task force on Property Appraisal and Valuation Equity, or PAVE for short, to address inequity in home appraisals.](#) Secretary Fudge quickly recruited the support of the White House Director on Domestic Policy, Ambassador Susan Rice, to co-chair this important initiative.

The task is purposed to quickly utilize the many levers of Federal Government to move forward opportunities to address the issue of inequity in the homebuying process, including potential enforcement under fair housing laws, regulatory action, and development of standards and guidance in close partnership with industry, state and local governments, advocacy, and philanthropic organizations alike.

[PAVE is comprised of 15 cabinet-level and independent government agencies who've been working diligently on the task the president directed HUD to lead.](#)

PAVE will deliver a final action report within 180 days. I'll tell you the clock has started ticking and began to tick on August 5th. We're now down to 120 days. And so, it's a pretty intensive effort to produce this report. But the report will be purposed to describe the extent, causes, and consequences of misvaluation or undervaluation which are terms you should take particular attention to pay particular attention to of properties. And to finalize and release a roadmap of consumer facing industry actions and policy implementation strategies.

PAVE is achieving its work at a fast pace. As I mentioned, we have 180 days. We're at day 120. The task force has determined the following priorities as a path forward. Ensuring that government oversight and industry practice further valuation equity. Combat valuation bias through educating the consumer and training the practitioner. Ensure equity and valuation by making available high-quality data. Creating stakeholder engagement to ensure balanced perspectives and approaches to change. And create a comprehensive approach to combatting valuation bias through enforcement compliance and other efforts.

We fully believe and hope that the public and American people will benefit in a multitude of ways as a result of this effort. One being obtaining estimates of home valuations free of discrimination bias. We hope that the incident in Cincinnati will not be what folks will experience forthcoming as a result of this task force.

By receiving nonbiased appraisals, all homeowners would finally have access to equitable mortgage financing, including when seeking to refinance a loan, listing a home for sale, or securing a loan based on their increased home equity.

And as a result, it is the hope that we will begin to narrow the wealth gap in our society and stem the tide of the persistent and systemic undervaluation or misvaluation of homes within our societies' black and brown communities.

With that being said, each of you have a role to play in combatting bias and discrimination in residential appraisals that perpetuate systemic inequality. We will not be able to achieve success without you as our partners pushing forward toward eliminating systemic racism.

This NFHTA forum today serves as one of many initiatives the department is employing to educate, empower, and increase awareness. The objective of today's forum will provide a deeper dive into fair housing laws and complexities involved in investigating appraisal cases and the tools necessary to carry out investigations and conciliations.

In closing, as a country, we must begin to affirmatively address communities of color and others who have been historically underserved, marginalized, and adversely affected by policies and practices that perpetuate poverty and inequality, because it is the right course of action.

I appreciate the opportunity to share PAVE's work with you. Stay informed as we move forward the effort. Thank you very much. Now I'll turn it back over to you, Cashauna.

MS. HILL [00:07:54]: Thank you for listening to this episode of the “Fair Housing for All: Academy Podcast Series”, Strategies for Investigating Discriminatory Residential Appraisals. Episode 2 features Steve Dane discussing the Fair Housing Act and Equal Credit Opportunity Act’s application related to appraisal bias along with shining a light on the dark history associated with home appraisals. Then, in episode 3, Lisa Rice from NFHA joins the discussion with how to best design an investigation, including strategies for effectively addressing and investigating appraisal discrimination claims. Episode 4 features Lon Meltesen from HUD, discussing the recent J.P.Morgan conciliation agreement and the major takeaways that can be applied to other discriminatory appraisal cases.