Navigating the Appraisal Process

Resources for You

- Tips for Researching Appraiser
- Realtor Appraisal Package
- Appraisal Incident Survey
- Appraisal Complaint Guide
Recognizing Appraisal Bias

Many Black and Brown families across the South and West side of Chicago have experienced appraisal bias and discrimination resulting in significant devaluation of homes and neighborhoods.

When a home is improperly undervalued, that hurts you, the homeowner, and the surrounding neighborhood.

If you have suffered discrimination, please fill out this survey so we can better understand your situation and help you seek relief:

Appraisal Incident Survey

Black Homeowners Face Discrimination in Appraisals

Companies that value homes for sale or refinancing are bound by law not to discriminate. Black homeowners say it happens.
Definitions

Appraiser: An appraiser is a person licensed by the state after completing licensing coursework and internship hours.

AMC: Appraisal Management Company is an entity through which mortgage lenders order residential real estate valuation services.

Comparables: Also known as “comps”, is a real estate appraisal term referring to properties with characteristics that are similar to a subject property whose value is being sought.

Multiple listing services: database that can only be accessed by real estate professionals to find comparable properties.

Reconsideration of value: also known as a ROV, is the process in which you file an appraisal value dispute which can lead to getting a 2nd opinion on your home. The Reconsideration of Value comes into play when an appraiser’s opinion of value is not agreed upon by the parties involved in the transaction.

Comparative market analysis: a tool that real estate agents use to estimate the value of a specific property by evaluating similar ones that have recently sold in the area. This is different from an appraisal that can only be completed by an appraiser.
What is an Appraisal?

An appraisal determines the value of a home and is performed by a licensed appraiser.

Appraisals are critical to ensure homebuyers:

1. Pay a fair, reasonable price for their home
2. Receive the full value their home is worth
3. Can access all the equity in their home
Tell Us Your Story

If you or someone you know has had issues with their valuation or suffered outright discrimination, fill out this survey so we can better understand your situation and help you seek relief:

Appraisal Incident Survey

We can help help you:

- File an official complaint
- Speak with your lender
- Get a second opinion
Preparing for the Appraisal

- Realtor Appraisal Package
- Researching your Appraiser
Appraisal Package

Realtors can help clients put together an “Appraisal Package”

This package contains the following for your appraiser to consider:

- Property info
- Listing info
- An offer list if you have received multiple offers on your property
- Condition and room count
- Comparable properties list or comparative market analysis
- Neighborhood market report.
- Property upgrades and recent receipts of improvements
## Research the Appraiser

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<th>Questions for Lender</th>
<th>Questions for Appraiser</th>
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<td>“What is the name of my appraiser”</td>
<td>“What is your full contact information? Name, office address, email and telephone”</td>
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<td>“How much field experience does this appraiser have in my neighborhood?”</td>
<td>“How long have you been appraising in my local market?”</td>
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<td>“What is the physical address of this appraiser's office?”</td>
<td>“What is the travel distance from your office to my neighborhood of (state census neighborhood name)”</td>
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<td>“What AMC does this appraiser work for?”</td>
<td>“How familiar are you with the driving forces that affect sales prices from a buyer’s perspective in my neighborhood of (state neighborhood name) for my property type of (state your property type)? What are some of those driving forces?”</td>
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If an appraiser’s office isn’t local, that can be an indicator that they will not know how to assess the property accurately.
Research the Appraiser

Tools for Research

- **IDFPR directory**: Type in first and last name of appraiser to find credentials, status, years active, or if appraiser has been disciplining or has an infraction

- Google your appraiser for reviews
“I need to file a complaint. Who do I go to?”
Agencies to File a Complaint to

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<th>Problem</th>
<th>Who to File with</th>
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<td>Appraiser not performing job correctly</td>
<td>Illinois Department of Financial and Professional Regulation (IDFPR)</td>
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<td>Outright discrimination</td>
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<td>Discrimination but no evidence</td>
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<td>I’m not sure</td>
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<td>I need to be referred</td>
<td>Fill out the NHS Appraisal Survey</td>
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<td>Appraisal Complaint Hotline</td>
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Illinois Department of Financial and Professional Regulation (IDFPR)

**What:** IDFPR is the regulatory agency for appraisers and grants licenses, they can help look for a pattern of malpractice with a specific appraiser.

**Where:** You can submit a complaint here through IDFPR

You can use IDFPR to research appraisal disciplinary actions

**Note:** IDFPR cannot provide legal advice or act as an attorney, provide a refund, or award damages.
Who: If you have suffered outright discrimination

What: The Consumer Protection Division of the Illinois Attorney General helps people who have been victimized by fraud, deception, or suffer discrimination. They can take action against an AMC or a lender

Where: You can file a consumer complaint through the Illinois Attorney General office online, mail, or in person.

Note: Their attorneys cannot represent you in a lawsuit but can help you resolve the dispute by sending your complaint to the appropriate party.
**Who:** If you have suffered outright discrimination

**What:** The Fair Housing office will investigate your complaint at no cost

**Where:** If you have experienced discrimination, you can file a fair housing complaint directly to HUD or hire an attorney to file a complaint and represent you

If you suspect discrimination, you have 1 year from the date of the alleged discrimination to file a fair housing complaint with HUD.
Who: If you feel you have a low valuation that had to do with your race or background but you do not have evidence

What: The Illinois Department of Human Rights is the enforces the Illinois Human Rights Act, which prohibits discrimination in real estate

Where: File a complaint with IDHR

Note: If you are not sure whether your concern is covered, call their housing inquiry line: 312-814-6229 or email
Who: If you would like to be referred to another agency

What: The appraisal hotline created by the Appraisal Foundation is an information resource to help people determine the appropriate agency to file your complaint if your appraiser is not performing their job

Where: Fill out a form online or call the hotline 877-739-0096

Note: They do not initiate or handle complaints but can refer you to the appropriate authority. We encourage you to fill out the NHS appraisal incident survey to talk to someone about your situation
Thank You!

If you found this helpful and would like to learn more, please visit,
https://nhschicago.org/learn/workshops

To learn more about NHS, please visit our website,
nhschicago.com