



WHAT YOU NEED TO KNOW ABOUT HOME APPRAISAL DISCRIMINATION

A home is one of the most valuable assets most people will ever own, and everyone deserves to have their home valued fairly. That's why the New Jersey Division on Civil Rights (DCR), in partnership with the New Jersey Division of Consumer Affairs (DCA), has launched an initiative to combat home appraisal discrimination.

WHAT IS AN APPRAISAL?

An appraisal is an opinion on the value of property, such as a home. An appraisal is often used to establish the value of a property for the purpose of obtaining a home loan or other financing. An appraisal should be unbiased and independent.

Appraisals are important because they determine how much a property is worth and affect how much people make when they sell their property, how much people pay when purchasing a home, and how much equity people can access during a refinance.

WHAT IS APPRAISAL DISCRIMINATION OR APPRAISAL BIAS?

The New Jersey Law Against Discrimination (LAD) prohibits discrimination in appraisals based on your race, national origin, or other protected characteristics. Often, appraisal discrimination occurs when a home or property is appraised at a lower value based on the race or national origin of the homebuyer, the homeowner, or an entire community. For example, appraisal discrimination may occur when an appraiser undervalues a property because the homeowner is Black, or because the home is in a predominantly Black community. Appraisal discrimination can also occur if an appraiser overvalues the value of a property because the homeowner is white, or because the home is in a predominantly white community.

WHAT ARE POSSIBLE SIGNS OF APPRAISAL DISCRIMINATION?

Sometimes appraisal discrimination is explicit or obvious. For example, an appraiser may make written or verbal comments that refer to the race, national origin, or other protected characteristics of a homeowner or neighborhood.

Appraisal discrimination can also be more subtle. Possible signs of appraisal discrimination might include an appraiser comparing your property to other lower-value properties that are very different in size, condition, or location from your property; an appraisal report that has many unexplained errors; or language in an appraisal report that refers to an area as "crime-ridden," "lacking pride," or "undergoing a demographic shift."

HOW DO I REPORT APPRAISAL DISCRIMINATION?

DCR and DCA are committed to removing barriers to reporting appraisal discrimination. **To report appraisal discrimination, contact DCR at appraisal@njcivilrights.gov or 1-833-NJDCR4U (711 for relay service).**

To report professional misconduct by an appraiser, contact DCA at <https://www.njconsumeraffairs.gov/Pages/Consumer-Complaints.aspx> or by calling 973-504-6480 (toll free within New Jersey).



If you believe you have received an unfair, inaccurate, or discriminatory home appraisal, you also have the option of requesting a **Reconsideration of Value** from your lender. A home buyer or homeowner can request that their lender or financial institution reconsider an appraisal the consumer believes is inaccurate and ask for the appraiser to reassess the value of the home.