

Please describe your experience with the appraisal process.

Owning a home is the American Dream. For most it is the ability to create generational wealth. For some others it is also the ability to utilize the equity in one's home for capital. Since purchasing our home in December 2016, we have had several appraisals. This is largely due to the fact that our home is our only access to lump sum of capital. We should also mentioned that we are both college educated with almost 90k in student loan debt between us. In January of 2020, we decided to refinance our home to take advantage of low interest rates and to finish remodeling our home. Interest rates were significantly low at the time in the 2% categories and we had white friends that successfully refinanced at that rate. We need an appraisal of our home to refinance. We had our home appraised on 1/29/20. We were hopeful after the appraisal, and then shocked when we received a valuation of \$995,000.

We then requested a second appraisal and asked a friend who is a white woman to be Tenisha and meet the appraiser. Our friend Jan McDougal brought over a family photo, we took down our family photos and replaced artwork so there was no trace of us in our own home. A term often referred to as "white washing". We tried to make the home seem like it belonged to Jan. When the appraiser came, Jan was there alone, "working from home" at our dining table. She had the deck doors open which highlighted our amazing view of the Bay and the possibility for indoor/outdoor entertaining. She answered the appraiser's questions about countertops, floors etc throughout the house. Jan called me at work after the appraiser left to tell me that it was done. She asked me to keep her posted on the results. A couple of weeks later we received the second appraisal report. This time the appraisal value came in at \$1,482,500. This was nearly 50% higher, a difference of \$487,500.00, just 5 weeks later.

What led you to conclude that the appraisal on your home was below market value?

Our community is small enough for us to keep track of trends in sales. In fact we typically go on a tour of the homes that are on sale. Prior to our home appraisal in 2020, Tenisha had been closely monitoring home sales in Marin City, so we knew what the comps were. When those comps were not included (ignored) in the first appraisal, we immediately had concerns. The comps from Marin City that were included were not comparable in square footage, size of house or type, and many were old listings. The appraiser did not look at properties that were more similar in the nearby areas that have higher populations of white residents. This suggests that the appraiser was hyper focused on comparing our home to a certain type of home that was not favorable to our valuation. Additionally, the appraiser used language in her report that was alarming. For example the report states, "Appraiser is aware that there are comparables from outside the neighborhood, sales from over a year ago as well as **larger than typical adjustments made**; however, this could not be avoided. The subject is located in a neighborhood known as Marin City which has a distinct marketability which differs from the surrounding areas. The difference in price per square footage, after consideration for flaws due to limited data, was conservatively made at 25%." **This explanation for**

the need to make a larger than typical adjustments due to the fact that our home is in Marin City which has a distinct marketability which differs from the surrounding areas, was extremely concerning. Lastly, the location of our home contributed to the under valuation of it. This is inline with the historical devaluation of homes in Marin City, the suppression of opportunity for African American to buy outside of Marin City for generations and the negative narrative spewed about Marin City despite the amazing views, lot sizes and access to the golden gate bridge. Marin County has a history of racism and discrimination throughout multiple systems. This issue is more than just one bad actor. It is systemic and requires a systemic solution.

How did you learn about the process of appealing an appraisal, and how navigable was that process? Once I read the appraisal report, redflags went up immediately. I didn't quite understand the appeals process, but I contacted our broker and requested another Appraisal. Thankfully our Broker agreed that and ROV was appropriate. I think the consumer should be informed that they are able to request an ROV despite the approval of the lender/ broker. After our story went viral and lawyers began contacting us, we learned that HUD has a process. Unfortunately, we were past the statute of limitations to participate in the HUD process. Thankfully our lawyer and the non-profit organization that helped us in our lawsuit are well experienced in this issue and were able to advise us on next steps. Given our experience, I would assume that there are plenty of people that don't know what to do if they find themselves as victims of appraisal bias and discrimination.

What were the impacts on you and your family of going through the experience of receiving an appraisal that seemed low, appealing it, and receiving a second appraisal at a much higher value?

The impact of devaluing a home in our country is powerful. It can set back entire communities. The difference that we experienced in our two appraisals is significant as well. It's the ability to pay for college. Its financial freedom. It's the foundation for generational wealth. It's the difference in the amount of interest you pay over the life of the loan. This experience continues to have an emotional toll on our family. Throughout this process We have experienced a range of emotions. Initially we were relieved that we got the value that was more aligned with what we expected. Then Tenisha felt guilty that she had someone stand in for her. That guilt, later transitioned to outrage that we had to have someone stand in for us to get a fair valuation. There is also the heartbreak of explaining the ordeal to our children. "Mom, Why do we have to take things out of my room (my most personal items)?" Imagine having that conversation with your child. It's humiliating! The house is the house. How can the person occupying the house have such an impact on the value of the home? Ultimately, the appraisal process is also assigning a value to us. What is the value of the owner? We continue to be disappointed in this process/our experience.

How could the process have been made easier for you?

The whole process is too arbitrary and too dependent on the opinion of one person. There needs to be more oversight on the appraiser to get the information correct, or more than one appraiser who conducts the analysis of value. There needs to be a streamlined and explained process for evaluating the home that doesn't introduce bias. The two appraisers who inspected our house – one before we "white washed" and one after – came up with entirely different comps and a difference in value of half a million dollars. This should not be possible. This suggests that the process is too subjective.

We also believe that lenders should be required to tell consumers that they have the right to request an ROV if they are unhappy with the appraisal. Additionally, everytime someone gets an appraisal there should be an explanation both verbally and written about the options the consumer has, i.e. to file a claim with HUD or to file a lawsuit etc... Consumer education is key and in as many mediums or platforms as possible. At Libraries, through Lenders, on Social Media and in Traditional Media.

There have only been 3 SFD sales in the Marin City neighborhood in the prior year. Two of these sales were used as comparables including one PUD. The third sale was not used as it was in mid remodel. In order to develop a location adjustment for the surrounding neighborhoods; appraiser found the median home value and square footage range in Marin City over the prior 5 years and compared that to the median home value and price per square footage of similar sized homes in the surrounding areas.

I later learned that was an ROV or Request for Reconsideration of Value.