



Civil Rights Department

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Civil Rights Department Announces Settlements Over Alleged Appraisal Discrimination Against Black and Latino Family in the Bay Area

Settlements require appraisal management company and appraiser to take proactive steps to prevent future discrimination in home valuations

SACRAMENTO – The California Civil Rights Department (CRD) today announced reaching settlements with Clear Capital, a company that facilitates appraisals, and an individual appraiser after a Black and Latino family in the Bay Area was allegedly lowballed in a home appraisal because of their race. The settlements require the appraisal management company and appraiser to take a range of proactive steps to prevent future discrimination in home valuations.

“Whether it’s lowball appraisals or a history of redlining, communities of color across the country continue to confront the multigenerational harms of housing discrimination,” **said CRD Director Kevin Kish**. “Appraisers, lenders, and brokers all have a responsibility to prevent discrimination in real estate transactions. I applaud the family for speaking out and the Fair Housing Advocates of Northern California for helping them make their case. Every effort to correct injustice makes a difference for those who come after. These settlements are an important step forward for protecting the fair housing rights of all Californians.”

Lowballed, Forced Out

In 2022, CRD received complaints from the Fair Housing Advocates of Northern California (FHANC) and a Black and Latino couple over an allegedly discriminatory home appraisal. According to the family, an appraiser undervalued the home where they had been living in Oakland by \$254,000 in comparison to an appraisal that had occurred eight months earlier and \$300,000 less than what the home sold for nine months later. Despite a request for reconsideration based on alleged irregularities in the appraisal, the appraiser declined to change the valuation. According to the complaint, the lender also initially denied the couple’s request for a new appraisal and allegedly only followed up after it was too late and their complaint had made the news. The low appraisal resulted in the lender denying the family a loan to refinance their home loan at the then-lower interest rate, which, according to their complaint, made them feel like they had to sell their home and move out.

Civil Rights Department Conducts Investigation

In response to the complaints, the state conducted an investigation into the alleged discriminatory practices. CRD ultimately determined that there was cause to believe discrimination had occurred, including with respect to the appraisal and the denial of the loan. The department then provided an opportunity for the parties to reach a settlement through mediation. As a result of the settlements, Clear Capital and the individual appraiser will each take different corrective actions, such as:

- Providing training to all employees who review complaints regarding racial bias and discrimination in the appraisal process.
- Continuing to maintain a process for tracking and investigating consumer complaints related to racial bias and continuing to notify lenders of discriminatory appraisals.
- Watching the [“Our America: Lowballed” documentary](#) on the impact of appraisal discrimination on communities of color.
- The individual appraiser paying \$90,000 in compensation, including \$75,000 to the complainants.

If you or someone you know has experienced housing discrimination, CRD may be able to assist you through its [complaint process](#). The department also [provides general information and factsheets online](#) about civil rights protections, including with respect to [fair housing](#).

The settlements announced today were supported by Associate Chief Counsel Azadeh Hosseini, Senior Staff Counsel Matt Turnbull, Staff Counsel Nassim Moallem, and Assistant Chief Counsel Nadia Aziz, as well as staff from CRD’s Dispute Resolution Division.

A copy of the settlement with Clear Capital is available [here](#). A copy of the settlement with the individual appraiser is available [here](#).

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The California Civil Rights Department (CRD) is the state agency charged with enforcing California’s civil rights laws. CRD’s mission is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-funded programs and activities, and from hate violence and human trafficking. For more information, visit calcivilrights.ca.gov.

