



Fair Housing Advocates of Northern California

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Lawsuit Alleging Race Discrimination in Home Appraisal Process Settled with Appraiser

San Rafael, CA –Fair Housing Advocates of Northern California (FHANC), Tenisha Tate-Austin, and Paul Austin announce the settlement of a lawsuit against a licensed real estate appraiser. The plaintiffs filed the fair housing lawsuit in federal district court in December 2019 alleging housing discrimination due to race in the appraisal process, and in October 2022 settled their claims against AMC Links LLC, an appraisal management company. The complaint can be found [here](#). The appraiser denied any and all liability in connection with the claims made in the lawsuit.

“This is a landmark case,” said Caroline Peattie, FHANC’s Executive Director. “The Austins’ case was a dramatic example of how an unfairly low appraisal can affect your ability to access a loan with good terms and build generational wealth. Unfortunately, their experience is not unique. Studies show that Black and Latinx applicants are more likely than white applicants to receive an appraisal value lower in both the sales and refinancing process. These studies show that appraisers choose so-called comparable properties (“comps”) of other property sales located substantially closer to the property being appraised if it’s located in a predominantly Black or Latinx census tract than if it’s located in a predominantly white census tract, even if those closer properties are not at all comparable – so appraisers likely still view neighborhoods and relevant comps based on racial demographics, which is part of what we believe happened in the Austins’ case.”

In December 2016, Tenisha Tate-Austin and Paul Austin, a Black couple, purchased a house in Marin City, an unincorporated area in Marin County, California, and moved into their house with their children. (As of July 2019, Black residents accounted for 36% of Marin City’s population, compared to less than 3% of the county as a whole.) The couple made substantial renovations that increased the square footage of the house, upgraded many features, and began renovations on an accessory dwelling unit. They decided to refinance their mortgage in 2020. Home buyers and homeowners are generally required to have an appraisal to obtain a mortgage or refinance a mortgage.

The appraiser inspected the Austins’ house and appraised it at \$995,000. The Austins believed that their race and the racial demographics of Marin City played a role in the low estimate of value and requested a second appraisal. Three weeks after the first appraisal inspection, a different appraiser valued the home at \$1,482,500, nearly half a million dollars higher. Between the two appraisals, the Austins erased any evidence of their racial identities inside their house, removing family photos and African-themed art. Their white friend, who replaced the Austins’ family photos with photos of her own family, was the only person present during the second inspection.

The settlement agreement included an undisclosed monetary amount with additional terms, including that the appraiser agrees not to discriminate in the future, will watch the ABC documentary “*Our America: Lowballed*” (which features the Austins’ story); attend a training session regarding the history of segregation and real estate-related discrimination in Marin County provided by FHANC; and continue to abide by the Bureau of Real Estate Appraisers’ continuing education requirements, including those outlined in California’s AB 948.

“We’re glad that we can put this lawsuit behind us,” said Paul Austin. “Having to experience everything that came with receiving the lowballed appraisal was overwhelming. Being able to tell our story and knowing we had legal recourse helped. We want others to know that if you experience discrimination, you can go to your local fair housing agency so they can investigate your case and help you if you want to file a complaint.”

“We missed out on a better interest rate because of the unfair appraisal we received,” said Tenisha Tate-Austin. “Having to erase our identity to get a better appraisal was a wrenching experience. We know of other Black families who either couldn’t get a loan because of a discriminatory appraisal and therefore either lost the opportunity to buy or sell a home, or they had to sell their home because they had an unaffordable loan. Neighborhoods of color have been historically undervalued due to deliberate racist housing policies, such as redlining. The ongoing undervaluation of homes in Black neighborhoods perpetuates the wealth gap between Black and white families. We hope by bringing attention to our case and this lawsuit settlement, we can help change the way the appraisal industry operates, and we can start to see a different trend.”

The Austins and FHANC were represented by counsel Julia Howard-Gibbon of FHANC and Liza Cristol-Deman of Brancart & Brancart.

If you feel you may have been discriminated against in a recent home appraisal, contact FHANC’s office to complete an interview. Contact FHANC at fhanc@fairhousingnorcal.org or 415-457-5025 x101.

Fair Housing Advocates of Northern California is a non-profit organization serving several Bay Area counties that provides free counseling, enforcement, intervention, and legal or administrative referrals to persons experiencing housing discrimination. Fair Housing Advocates of Northern California also offers foreclosure prevention counseling, pre-purchase education, seminars to help housing providers fully understand fair housing law, and education programs for tenants and the community at large. Fair Housing Advocates of Northern California is a HUD-Certified Housing Counseling Agency. Please call Fair Housing Advocates of Northern California at (415) 457-5025 or TDD: (800) 735-2922 for more information. Note: This material is based on work supported by the Department of Housing and Urban Development (HUD) under FHIP PEI Grant FPEI190035. Any opinion, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of HUD.