



Fair Housing Advocates of Northern California

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FOR IMMEDIATE RELEASE

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Resolution Reached with Appraiser in Discrimination Complaints Alleging Race and National Origin Discrimination in Home Appraisal Process

San Rafael, CA – Fair Housing Advocates of Northern California (FHANC) and Ronald and Dominique Curtis have reached resolutions with appraiser Mehdi Mehdipour-Mossafer of a discrimination complaint alleging race and national origin discrimination in the home appraisal process.

The case against the appraiser was settled for \$90,000 and other non-monetary terms. Mr. Mehdipour-Mossafer agreed to not engage in any form of unlawful discrimination in the appraisal of residential real estate; to participate in FHANC's training session regarding the history of segregation and real estate-related discrimination in the Bay Area; and to continue to abide by the Bureau of Real Estate Appraisers' anti-bias education requirements.

The settlement was reached after FHANC and the Curtises filed a complaint with the California Civil Rights Department (CRD) in January 2022. The complaint alleged that the Curtises were the owners of a duplex located on Alcatraz Ave in North Oakland. They purchased their home in 2019, hoping to build equity and someday leave the home to their young daughter. Mr. Curtis, a real estate agent, is Black and Mrs. Curtis, an appraiser herself, is Latina. After purchasing the home, they made significant renovations and in April 2020, their home was appraised at \$1,154,000.

In December 2020, in order to take advantage of low interest rates and lower their monthly mortgage payments, they applied to refinance their home loan. As part of this process, Mr. Mehdipour-Mossafer, a licensed real estate appraiser, inspected the house and prepared an appraisal report.

The Curtises were shocked to receive a valuation from Mr. Mehdipour-Mossafer for \$900,000. They submitted a 60-page appeal requesting a reconsideration of value. The Curtises believed racial bias was the reason for the low valuation. However, Mr. Mehdipour-Mossafer refused to change the appraised value, and ultimately, the Curtises were unable to secure the loan.

A local non-profit helping communities eliminate housing discrimination



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After this experience, the Curtises made the difficult decision to sell their home. In preparing their home for sale, they removed all of their belongings, including family photos and other items indicating their race and ethnicity, and hired a real estate agency to stage their home with neutral furnishings and show it to potential buyers. In October 2021, the house sold for \$1.2 million –\$300,000 more than Mr. Mehdipour-Mossafer’s valuation.

The Curtises contacted FHANC for assistance. FHANC subsequently investigated their case and filed a complaint on their behalf with CRD. FHANC also filed a companion complaint seeking damages for the resources it expended to investigate the case and counteract the effects of the alleged discrimination through its education and outreach efforts.

Despite the passage of the federal Fair Housing Act (FHA) in 1968, homes in Black and Latinx neighborhoods and homes owned by people of color continue to be valued lower than homes in white neighborhoods and homes owned by white people. Research shows that homes in majority Black neighborhoods are valued 23% less than properties in mostly white neighborhoods, even after controlling for home features and neighborhood amenities, leading to an estimated \$156 billion cumulative loss in value nationwide.

“Research suggests that appraisers contribute to the undervaluation of Black and Latinx neighborhoods,” said Julia Howard-Gibbon, FHANC’s Supervising Attorney, “by considering neighborhood racial and ethnic composition in their determination of the market area from which to choose comparable sales; allowing biased assumptions about the race or ethnicity of the homeowner to influence the perceived value of a home; relying on the unfounded assumption that a typical buyer is white and that white people want to live in predominately white neighborhoods to influence the perceived value of a neighborhood; and primarily valuing homes based on recent local sales (the sales comparison approach), which recycles home values that were initially determined under explicitly racist appraisal criteria. We believe all four happened in this case.”

“We applaud the Curtises for their decision to pursue this complaint and to shed light on appraisal practices affecting Black and Latinx families in the Oakland area, and are hopeful that this resolution will prevent others from having to face the same experience,” said Maria Callahan, FHANC’s Director of Investigations & Staff Attorney representing the couple.

“FHANC’s mission is to ensure housing opportunity and educate the community on the value of diversity in our neighborhoods,” said Ms. Peattie. “For years, we have been dedicated to investigating appraisal bias in Northern California and educating the community about appraisal discrimination. We filed this action to effect change in the way the industry does business, and we hope that this is a step in the right direction.”

The Curtises and FHANC were represented by Julia Howard-Gibbon and Maria Callahan of FHANC as well as Yiyang Wu, Tara Ramchandani, and Valerie Comenencia Ortiz of Relman Colfax PLLC.

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, mediation, 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 Grants FPEI190035 and FPEI220095. 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.